

The China Weekly **REVIEW** 密勒氏評論報

A Weekly Newspaper Established in 1917

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Some Remarks on the New Life Movement---

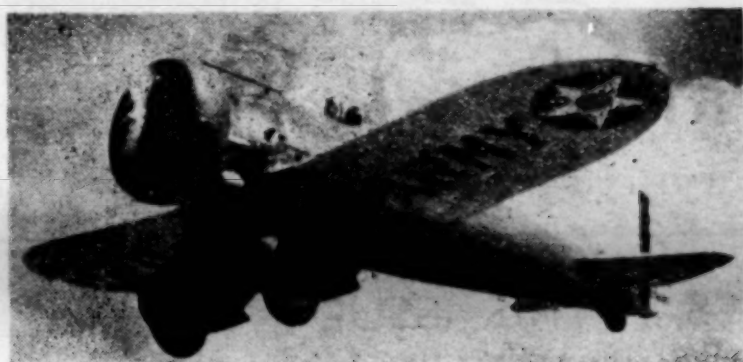
From Seattle By Madeleine Richard Sedgwick

SATURDAY, OCTOBER 20, 1934

VOLUME 70, NUMBER 8

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Formerly Millard's Review

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ANOTHER GLARING ABUSE OF THE EXTRATERRITORIAL PRINCIPLE

TWO weeks ago *The Review* mentioned that the *abuse* of the extraterritorial privilege makes the Chinese government particularly anxious to get rid of this reflection on China's ability to govern matters within her own borders. It was then mentioned incidentally that there have been instances where extraterritoriality was made use of to shelter gambling operations. Frequently, and principally, the principle of extraterritoriality has been abused by rapacious foreigners to gain profit at the expense of Chinese. There was the example, for instance, of a Continental lawyer who retired from China some years back with a handsome fortune, a large part of which was gained by his misuse of the flag of his country under extraterritorial privileges. So long as extraterritoriality was misused, as it usually was, by foreigners to take advantage of Chinese, the foreign community was not particularly excited about the matter. But it may be taken for granted that it there should be a few more examples like that of the case of Grant Mark in the United States Court for China during the week, where it was shown that the defendant was making use of the extraterritorial principle in order to deprive another *foreigner* of his just dues, then we shall probably see the spectacle of foreigners generally adding their weight in ardent support of the Chinese demand for its abolition. Had there been no extraterritoriality in force, the architect Rudec would have had no difficulty in getting an attachment for the sum due him on the funds which were on deposit in the Chase bank. But as things stand, the plaintiff has found himself helpless. Briefly put, the situation was this. Grant Mark, the defendant, drew checks on an account in the Chase Bank which stood in the name of his mother, Mrs. Myra L. Mark. He was enabled to draw on the account by virtue of a power of attorney from his mother. He frequently deposited money to his mother's account, using it practically as his own. His mother is a British subject, a native of Canada, not subject to the jurisdiction of the American court here, and at present not in Shanghai. Judge Helmick had the power, and exercised it, of forbidding Grant

Mark to draw on the account, but he was unable to make an order forbidding Mark's mother from drawing on it.

Judge Helmick, in giving his decision, among other things said:

"Perhaps some relief on the other side of the picture might be obtained in the British Court if plaintiff will apply there. That, of course, this court cannot say. As the matter stands now the court feels that this account is a fraudulent device, but since the account is ostensibly that of a British subject, the court can enquire no further. And in passing I might say that any American bank in this community may expect to be, from time to time, served with orders of this court and banks must neither be surprised nor irked by it. That seems to be about all the court can say. The restraining order will be continued until the further order of the court."

With the decision rendered by Judge Helmick, as the *China Press* pointed out, there only remains at present one other thing for Mr. Hudec to do: to bring up Mrs. Mark before the British court. By the time that is done, Mrs. Mark will have the opportunity to withdraw the money from her account in the Chase Bank.

ELIMINATE NATIONALISM FROM THE SHANGHAI PUBLIC SCHOOLS!

THE Japanese community of Shanghai has brought up the matter of the amount of subventions to be given by the Foreign Municipality of Shanghai to the various schools, some of which are Municipal, while others are either strictly national or sectarian. It is quite evident that unless this matter is handled cautiously it may end in the Western and Chinese rate-payers of Shanghai contributing towards teaching how to play the *samisen* and how to write the *hirigana* and *katakana*—all of them quite excellent in their way, but in the minds of other nationalities than Japanese, we rather imagine, somewhat beyond the scope of Municipal interest. We now propose a plan which we have no hesitation in saying would be the best solution of the whole matter. To our minds the teaching of any nationalism of any kind, whether American, European, Chinese or Japanese, ought to be strictly eliminated from the Municipal schools. It should be just as much taboo as is the teaching of religion, whether Christian, (either Protestant or Roman Catholic) or Jewish, in schools generally throughout the United States. If any citizens of Shanghai are to be taught that the ruler of a certain country is the Son of Heaven, or to place any faith in that blarney in the American Declaration of Independence that "all men are created equal"—some of the men who signed the document held other human beings in bondage, and a learned Supreme Court Justice something over half a century later decided that the slaves weren't to be treated as human beings at all, but were merely so much property—or that it is the very essence of the Svastika that the sons of Abraham are unfit to hold public office, or that the great battles of a certain country were won on the cricket fields—if such ideas are to be taught it is "up to" the nationals of each country to pay for them out of their own pocket. Likewise as re-

gards the followers of any particular religion—whatever their views as to the status of the Virgin Mary, or the divinity of Christ, the benefits of circumcision, etc.—that teaching should be paid for by the respective believers in those religious views, and not paid for by the very mixed international citizenry of Shanghai. To begin with the fact is probably usually lost sight of that the Shanghai Public School for Boys (the principal Municipal School), the Japanese School and the American School—the three principal national schools (for, as a matter of practicality the Shanghai Public School is British)—are not even situated in the International Settlement. The Shanghai Public School and the Japanese School, are way beyond the Foreign Settlement, with frontage on the North Szechuen Road extension—along which, incidentally, the Shanghai Municipal Council is now unable to enforce taxation—this as a result of the Japanese onslaught on Shanghai more than two years ago. The American School is in the French Concession. The functions of the Shanghai Municipal Schools should be limited exclusively to the teaching of knowledge which has nothing to do with nationalism—and it is surprising what a large ground that covers. To start with, History of any kind since the era of the Middle Ages should be excluded entirely. Henry Ford exaggerated a bit when he said on the witness stand over a decade ago that "history is bunk". But he was pretty near right—most of it is. And teaching the youth of Shanghai the date of the battle of Bunker Hill or details of the battle of Bannockburn will not help him to earn his living when he leaves school, either in this country or in the country his ancestors came from.

Such subjects as arithmetic, algebra, physics, chemistry, physiology, geology, agriculture, forestry, methods of manufacture, engineering, electricity, drawing and other practical subjects form a basis of study quite sufficient to keep the youth of the Shanghai public schools occupied during their school years. These subjects do not leave room for controversy, and they are strictly practical. The nearest approach to allowing nationalism to enter into the public schools is as to the languages in which lessons are to be taught. Those we say should be English and Chinese—English, not from a nationalistic point of view, but simply because that is the only Western language that practically all foreigners in Shanghai understand; and, of course, Chinese, because it is the language of this country. If any pupils wish to learn some other language, they should be provided with such facilities only as special courses and paid for accordingly. There is a strong argument to also include the Russian language, because of the huge Russian population here. But it will be the inevitable fate of the Russian community to be denationalized—as a matter of fact they already are. The only kind of passports they can get are Chinese. Their language as a group must also practically disappear—the very prosperous Russian newspapers here with them. For the majority of Russians now already the only hope they have to secure even the most lowly kind of a job is to

learn English or Chinese, as many of them are assiduously trying to.

We will admit that we do not see any immediate prospect of the policy here suggested, being adopted, but we firmly maintain that its adoption would put an end to controversy, which we can easily see will become more heated as the days go by. Sectarian religion and exclusive nationalism are getting some hard knocks all round these days, and this International Settlement, which put into practice the principle of the League of Nations before Woodrow Wilson was born, is the ideal place in which to start the experiment of keeping both religion and nationalism out of the public school curriculum entirely.

MANCHUKUO WILL DESPOIL RUSSIAN CHURCH OF SURPLUS PROPERTY

MENTION was made last week of the fact that the land problem was the foundation of the revolutionary troubles in Spain, where both the Church and private individuals hold huge tracts of land to the detriment of the general public. A similar situation exists in Manchuria, where Mr. Shirakawa, deputy chief of the Land Department, is egging on the Manchukuo government to confiscate such of the land owned by the Russian Church which is not used for strictly church purposes—and that is a very considerable amount, as may be expected. The propensity of the Church—whether Roman Catholic or Protestant—to acquire land for other than religious purposes is truly amazing. In Shanghai the Roman Church is a huge landholder. In New York the Protestant Episcopal church, and to a less degree some other denominations, own some of the most valuable office sites, and also some of the worst slums, and by abuse of the law that stipulates that “church” property is exempt, these properties pay no taxes. Delving into the old records at Harbin, Mr. Shirakawa found that the Russian churches scattered all over Manchuria had acquired very considerable amounts of choice land sites. The deeds were negotiated many years back with the Land Department of the Chinese Eastern Railway, which granted the land free for a period of eighty years (that being the term of the C.E.R. lease). The documents specifically stated that the land was to be used for “church purposes” only. But the churches gave that phrase a wide meaning. They rented out their properties, and in the meantime the lessees have built residences and shops on the leased church land. The rent collected from these properties has constituted the principal revenue of the Russian Church in Manchuria. The Chinese (now Manchukuo) authorities in past years have acted complaisantly in the matter, but they are now becoming obdurate, under Japanese instigation. The White Russians (who to a man belong to the Russian Church) in an endeavor to prevent the confiscation of these “illicit” revenues, have urged that most of this revenue was being used to support the thousands of indigent White Russians in Manchuria, but to this the Japanese are turning a deaf ear, as it is their evident intention to drive most of the Russians,

with little distinction of whether they are “red” or “white” out of Manchuria almost entirely. This will be accomplished, indirectly, through economic pressure. Already now the Japanese are preparing to replace all the Soviet employees on the C. E. R. with Japanese. Only a limited number of Russians, mostly “whites,” will be able to find any railway jobs when the Japanese get into control. A sample of what the possibilities are is to be seen in the case of the Lafa-Harbin railway. On it something like a hundred White Russian guards are employed—standard wages, thirty-six dollars a month—the equivalent of three American dollars per week.

“GOLD REACHES RECORD HIGH PRICE IN LONDON”

WE trust that no one in Shanghai—whether American, Chinese or British merchants, to whom the fluctuations of monetary exchanges are the very lifeblood of existence in a way not surpassed in any other place in the world—will be misled by the telegrams from London that on such and such a date gold reached the record price of so and so. By the same sort of camouflage the financiers of the Confederate States in 1863-4 could have announced that gold had reached the record price in Richmond of two thousand dollars an ounce on such and such a date—or more recently the Russians could have announced that the price of an ounce of gold was some millions of roubles, or the Germans in 1923 could have announced a “record” price for gold of billions of marks per ounce. The telegrams from London, and to nearly the same extent from New York, are putting the cart before the horse, or, to use another familiar expression, they are whistling in the dark to keep up courage. The truth of the matter is, of course, that silver and gold have been keeping fairly to their usual ratio, and that it is the pound and the dollar that are sinking. It is a remarkable fact that just when these telegrams from London are speaking of the record price of gold, or from New York of the record price of silver, the ratio between the pound and the U. S. dollar has reached almost exactly its age-long ratio of one pound sterling equal to four dollars, eighty-seven cents American.

If the telegrams from London and New York were expressed in really frank language they would read that on such and such a date the pound, or the dollar (as the case may be) had reached a record depreciation, not that gold and silver had reached record prices. The only possible excuse for looking at this matter of money prices from any other point of view would be that in the end it would be contemplated to stop the use of both gold and silver as bases of money entirely. But there is not so far the remotest indication of such a possibility. Americans, in particular, should have no diffidence about expressing the situation in the correct terms, either from the historical or any other point of view. The American dollar has not anywhere near yet reached the depreciation that it did during the American civil war, and the financiers

of those days had no illusions about the matter. It was the American dollar that was down, not the price of silver or gold that was up. In due course the "resumption of specie payments"—that was the post-civil war term used to express the idea that gold and paper were once more interchangeable—took place. So it will, doubtless, this time, eventually—although there is no immediate prospect. But when the psychological time arrives, the wisdom of Roosevelt's gold and silver purchase plan will become apparent. The country will then be in the very strongest position to back up its promise to exchange gold for paper. Very few other countries are or will be in a similar position because they won't have either the gold or the silver to back up their words. But bad as is the situation in England and in the United States, it is as nothing compared with conditions obtaining in Japan. When both the U. S. dollar and the Japanese yen are at par a yen is equal to $49\frac{1}{2}$ cents gold. But at present the paper yen is worth only 28 cents in U. S. paper money. The U. S. paper money dollar works out at about 60 percent of the old gold parity. The paper yen on the other hand is worth only about 33 percent of gold parity.

DUTY ON SILVER IS OBVIOUSLY ONLY A TEMPORARY MEASURE

THE Chinese Government has taken the first step towards preventing the heavy drain of silver from China, namely, imposing an export duty on silver. But it must be evident to all that this measure can only be temporary in its effect. Whatever appreciable effect on the monetary exchanges the export duty may have it will be just in proportion as it is effective that there will be the incentive to smuggle, and, despite all precautions, judging from experiences in other lines, such smuggling will be engaged in on an extensive scale. There will be seizures, naturally, just as there have been in the case of gold and of sugar and other commodities, but the smuggling will undoubtedly go on—assuming of course that the silver duty will have the permanent intended effect which is contemplated; and if it hasn't, the problem of adjusting China's finances will remain the same as before. Dr. H. H. Kung, the Minister of Finance in an interview, is quoted as having said that the idea of lessening the silver content of the dollar had not been contemplated, and he would not consider such a proposal if made. Dr. Kung is doubtless sincere in his statement, but he would have the precedent from quite a few Western countries if he decided to change his mind as time went on. Whatever form of devaluation of China's dollar may eventually be decided upon, we confidently predict that in the end that is what is going to happen. The three greatest commercial (also military) powers of the world, namely America, England and Japan have taken that step, and it would be fatuous to expect that in the end China would not follow their example. In the present state of world finance it is the only hope for a nation which finds itself loaded with debts which there is no possible

hope that the present generation can pay off, and China is to be included in that category. There is more than one way to skin a cat and there are several ways of devaluating a dollar. If China in the end doesn't adopt the idea of reducing the silver content it will certainly adopt some other in due course. A possible alternative, already several times hinted at, is to adopt a gold unit of a very low weight and fineness and spring it on the public as the "dollar, local currency." In the meantime China has taken one more step in asserting its independence in financial matters by taking out of the leading British bank's hands the fixing of the day's exchange price. This innovation will come in handy in case China eventually decides upon adopting a gold-based currency.

G. W. M.

Chilean Charge d'Affairs Explains Passport Situation

To the Editor, *China Weekly Review* :—

In regard to the article in the *China Weekly Review* on October 6 under the caption of "A Japanese who was temporarily a Chilean," I beg to state that this Consulate General, on September 1933, published in the local newspapers and at the same time notified the Foreign and Chinese authorities, that "all passports issued by this consulate were cancelled."*

Not one has been or will be renewed or recognized as a Chilean citizen, for they were unlawfully issued. The holders of the above mentioned passports, prior to 1931, were well known locally under many other different nationalities.

PATRICIO SMART,
Charge d'Affairs and Consul
General for Chile.

Shanghai, Oct. 24, 1933.

*This is in reference to the phrase in the original article re "Curtis" (Kawashima), "Whatever the reasons, his passport was not renewed." Incidentally it occurs to us to say that if any unauthorized passports are still outstanding, Señor Smart would be doing a public service by making public their names.—Ed. C. W. R.I

German Consul General Furnishes Literature on Saar Problem

The Editor, *China Weekly Review* :—

I have the honor to draw your attention to an article signed "W.B." and published in the issue of September 29, 1934, (p. 151) of *The China Weekly Review* dealing with "The forthcoming plebiscite in the Saar and its possible effect on Far Eastern affairs."

While fully appreciating the many interesting political outlooks given in this article I, however, much regret that the author's arguments are evidently based on a complete misunderstanding or misinterpretation of the German point of view regarding the Saar Territory and the measures taken by the German Government in order to secure the consent of the Saar population to the eventual return of this entirely German territory to the Reich. I regret this fact all the more as *The China Weekly Review*, which is one of the leading and most reputable periodicals in China, is well-known also among German residents in China who, when reading such articles, might possibly draw the wrong conclusion that the periodical is aiming at an anti-German propaganda.

What the new Germany earnestly desires is peace and mutual understanding, and it is my intention to contribute to this end by enclosing herewith for your perusal a few pamphlets and articles dealing with the new Germany and the problem of the Saar.

H. VON KRIEDEL,
Consul General for Germany.

Shanghai, Oct. 11, 1934.

ENCLOSURES:

Chicago Tribune, Saar supplement, June 13, 1934.

Pamphlets :—The New Germany Desires Work and Peace; One Year of National Socialism in Germany; The Future of the Saar, by Richard von Kuhlmann (*Foreign Affairs*), N.Y.

The Airplane: Most Effective Weapon of State Ever Devised and Its Application in China

BY WILBUR BURTON

THE apparently complete crushing of the latest revolt in Spain calls attention once again to the airplane as the most effective weapon of government that has ever been devised. While available reports on events in Spain are far from comprehensive, it seems certain that the airplane was the chief instrument of the Madrid regime in fighting the revolutionaries; and it is only logical that it should have been, for airplanes have been used with ever increasing success in recent years by the various governments of South America, in Mexico, in the Peshawar area of India, in Indo-China, in Northern Africa, and in China.

The airplanes, of course, cannot be used independently of other weapons. Aerial flights alone will not end a revolt. But the airplane may drop propaganda literature or warnings in a given area—or it may drop high explosives or poison gas bombs. The usual technique is to drop propaganda literature and/or warnings first, and follow up with high explosives if necessary. Poison gas has so far been used only infrequently, —but it is a last resort that cannot be ignored, for while high explosives are unlikely to kill more than a few persons, poison gas could wipe out the population of an entire region.

The advantage of the airplane is not only its almost incredible mobility over land or water that would otherwise be difficult to traverse, but also in the fact that its operation—and to some extent even its construction—require only relatively few persons whose loyalty to the government employing them is usually easy to retain. In China, for example, aviators are recruited entirely from the bourgeoisie because only in this class can be found persons of the requisite education to function efficiently. The army, on the other hand, is recruited from the peasantry and the proletariat who are most apt to be affected with discontent, and while doubtless such discontent could be overcome by an adequate outlay of cash, the sum required would be staggering in proportion to the amount needed to pay a few aviators well for doing what their natural inclination already directs them to do.

Mexico is an excellent example of the pacification of a country by use of airplanes, and at this time it is especially illuminating to cite it because of the background provided by that superb motion picture, *Viva Villa!*, which has been showing here. Twenty years ago, revolutionaries like Villa could arise and recruit an army within a few weeks which made up in fervor for what they lacked in arms in fighting the best soldiers of the government. Further, every victory over government troops meant a supply of better arms, and desertions of government troops to the side of the revolutionaries were frequent. (Similar processes marked the early years of Nanking's war against the Reds.) Through the tactics of Villa and others like him, the power of both the church and

the landlords crumbled and eventually a new deal was wrought which, as set forth in the existing Mexican constitution, was more radical than almost anything else which has happened in this modern world outside of Soviet Russia. But today the Mexican constitution is practically a dead letter; the peons have little more land than they had before the days of Villa, and while the power of the church has been somewhat curbed, the power of the industrialists has increased and that of the landlords is not substantially diminished.

Yet no new Villas are arising in Mexico; the country has been one of the most peaceful in the world for the past five years. Why? The answer is as simple as it is ruthless: *the airplane*. Should a new Villa seek to recruit the peons in the manner shown in one of the finest sections of *Viva Villa!*—after Madero's assassination—a few government airplanes would soar from the safe heights of Mexico City, or some other base, over the disaffected areas, first warnings and then bombs would drop from the sky, and the peons who escaped the initial onslaught would have to choose between death and dispersion. And it is only human, all too human, that most of them would be terrorized into abandoning the unequal struggle.

As usual, exactly what is happening in Nanking's current anti-Red war is not altogether clear, but there appears to be no doubt that the Reds are suffering severe defeat in all parts of what is, or used to be, the "Soviet Republic of China." Here the airplane has marked the turning of the tide; prior to its use, Red advances marked virtually every onslaught against them, while since its use, they have been steadily beaten back. Some are now apparently retreating beyond the present range of airplanes—in Kweichow and Szechwan,—but there is no reason why aerial warfare cannot be unloosed upon them anywhere within the boundaries of the country at anytime decided upon by the government forces.

The exclusive use of airplanes, to be sure, is not adequate for final victory in any warfare. This was clearly shown by the Sino-Japanese warfare in Shanghai in 1932. Time and again the Japanese bombed Chapei not only from airplanes, but from ships, only to find when an infantry advance was attempted that their opponents had not been seriously weakened. Logic here called for poison gas in addition, but the Japanese were probably restrained by objections from western powers since a gas attack would very likely have wiped out the bulk of the population not only in Chapei, but in the International Settlement as well. Thus the Japanese were handicapped by conditions peculiar to this city,—but in drawing conclusions from the Chapei incident, it should never be forgotten that the Japanese were in the strategic position to employ poison gas had there not been exceptional diplomatic reasons for refraining.

But while airplanes as bombers will not assure complete victory, and are especially limited in fighting guerrillas (who can easily conceal themselves), there is overwhelming evidence that their use can prevent revolutionaries from either forming or maintaining a base. This, indeed, is the most significant aspect of the airplane as a weapon of government. The Chinese Reds, for example, had no difficulty in forming not only a base, but a small state, when opposed only by old-fashioned armies; today their state seems to be somewhat in shambles and their base (in Juikin) seriously endangered, if not already wholly or partially destroyed, and with the reasonably efficient use of airplanes, it would appear highly improbable that a new base of any consequence could be established anywhere. Guerrillas may long continue fighting, but without a base they will not be very effective.

This discussion of the airplane, it should be noted, is confined to its use by a government in domestic affairs. Hence, developments in anti-aircraft defense need not be dealt with, for such defense is so complicated and costly that is beyond the reasonable prospect of a revolutionary group. Nor are airplanes easily procured by revolutionaries. In the only revolt that has started in China—that of Fukien last winter—since the advent of the airplane on a large scale, no anti-aircraft defense was possible, nor were any airplanes obtainable, and the uprising was quickly and completely crushed by a few aerial raids. The Kiangsi Reds, who established themselves before the airplane became a qualitative factor, may have developed some defense, but there is no indication that it is proving of much value. And they lack material to operate the four or five airplanes in their possession.

It may be, and is argued in orthodox communist circles, that the airplane, along with poison gas and high explosives, are generally over-rated as counter-revolutionary weapons. It is true that the modern war machine, as best represented by the airplane, depends on the uninterrupted operation of industry, and any disruption for a very long period would cause a breakdown. Consequently, a strong and Red-disciplined working class could easily halt counter-revolutionary warfare. But given a strong and Red-disciplined working class, it is exceedingly dubious whether it would maintain a united front under the prompt attack the government could administer with the airplanes, and other weapons, always available for a crisis. Every government assuredly has an adequate supply of weapons on hand to tide over a fairly long disruption of industry. Anyway, the argument has no bearing on the present situation in China who obtains her weapons from abroad and can count on the cooperation of foreign forces in the country in any emergency. The main thing is the loyalty of the few needed to operate airplanes and unleash their death-dealing cargoes, and during the past few years four or five hundred stalwart scions of the bourgeoisie have entered this service under competent foreign supervision.

It is further argued that they very terror inherent in such a weapon as the airplane may be

expected to act as a boomerang against those who use it,—that, for example, a Chinese non-Red peasant in an area raided by airplanes would promptly turn Red to oppose a government which indulged in such tactics. Here is an imponderable that cannot be dogmatically assayed. There are doubtless some persons in this world who are not content with life at any price,—who, in a flaming Mexican revolutionary slogan, would rather die on their feet than live on their knees. But most of the millions of every land do not appear to be of such a breed; they seem content, if not satisfied, to eke out an existence on any terms allowed to them if it appears likely that revolt against those terms would result in the end of existence. And, as some Frenchman once said, "men can love and laugh where beasts would perish." Perhaps that is a compliment to the human race; perhaps not. Anyway, most humans give ample evidence that they prefer to bend rather than be broken,—and nothing heretofore that the mind of man has conceived compares to the airplane in offering the unqualified alternatives of bending or being broken.

Wherefore, the large-scale advent of the airplane in this ancient land offers potent promise of providing it with more peace and unity than it has ever known before in modern times.

Japan Once More Brings Up the Question of Old Chinese Debts

The Association of Japanese Creditors has sent Katsuchi Uchida, one of its directors, to China to initiate negotiations with a view to securing payment of old Chinese debts to Japan. Mr. Uchida arrived here during the week.

Japan's Tourist Trade Increases

A total of 24,529 tourists visited Japan during the first eight months of this year, being an increase of 30 per cent compared with the same period of 1933.

A great deal of this tourist traffic is due to the fact that Japan accords free visas to American citizens, whereas China insists on charging ten U.S. dollars for a visa, to be paid at the time of each entry.—Ed. C. W. R.J

Germans Contribute 3,000 Volumes to Oriental Library

Impetus was given to the movement for restoration of the Oriental Library in a presentation made Oct. 8 at the Chinese Y.M.C.A. by German Consul-General H. Kriebel. On behalf of various interested public bodies and scholars of Germany, Mr. Kriebel presented the Library Restoration Committee with 3,000 volumes, treatises on literature and various scientific subjects. The Oriental Library, world-famed for its collection of Oriental masterpieces of literature, was completely destroyed with its contents when the Commercial Press was burned by the Japanese during the hostilities of 1932.

Shanghai Hotel Keepers Resist Increased Taxation

Tension has developed in local Chinese hotel circles as a result of the negotiations with the Revenue Department of the Shanghai Municipal Council (opposing the increased municipal tax) having reached a deadlock. It was hinted that street unions and citizens' federations may take action in sympathy with hotel managers, alleging that the Council, in increasing the tax, had gone beyond legal bounds. Letters exchanged between the Chinese Ratepayers' Association, the Council and Chen Ting-ri, legal adviser to hotel managers, published in the Chinese press revealed many difficulties in settling the question. The hotel managers still insist that municipal tax be fixed at 14 per cent in respect to land value as legalized by the ratepayers' meeting, alleging that there was no legal ground for the Council to increase their tax.

Some Reflections on the Marseilles Murders

BY GEO W. MISSEMER

THERE can be nothing but execration and horror at the assassination of King Alexander of Yugoslavia and several of his staff in the streets of Marseilles on the afternoon of October 9. At the same time there must also be given a tribute to the bravery of the late Louis Barthou, the French Foreign Minister, while trying to shield the nation's guests. The death of M. Barthou was, of course, incidental. He was not one of the intended victims of the assassin, who it was later ascertained was a Croatian merchant. The writer wishes to stress from the outset, in view of the remarks that follow, that he does not wish under any circumstances to be taken as condoning assassination in any form. On the contrary the object is to impress the point that repression and violence generally defeat the objects they have in view. It is a striking fact also that the amount of horror that was expressed at the assassination of the Yugoslavian king was in proportion to the militancy of the political opinions of the people who expressed them. To the "White" Russians—who still hope for the return of a Czar—the assassination was a particularly poignant event. The principal Russian paper here, which has a circulation equal to that of at least one British newspaper in Shanghai, came out with mourning borders and advertisements of condolences galore. The assassin at Marseilles had struck a mortal blow not only at a Slavish king, but had probably shaken up the most comfortable refuge that "White" Russians had found the world over. Yugoslavia was one of the few countries in the world where "White" Russians were welcomed, and incidentally held official positions. It must be evident to even the most casual reader that the assassin in the case was working with a deep conviction that he and his people were being unjustly treated. He may have been absolutely mistaken on that point. But there were no mock heroics about his method of procedure. To him the fact that he was sure to lose his own life in the adventure meant nothing. That trait is highly commended in certain circumstances—in warfare for example, where, incidentally, it is to a large extent not displayed. If it were, there would be no occasion to hand out medals to those who demonstrate particular phases of it. One of the puzzles that must continually confront persons with a logical turn of mind is to try to figure out how the millions of Christians throughout the world can reconcile their adherence to the principle and the profession of their belief in the divine blessing on the commandment, "Thou shalt not kill" as against the fact that they unitedly pray for victory when they are themselves engaged in the process of killing *en masse*. If it is wrong for an individual to kill, it can be no less wrong if it is done in an organized group. As a matter of logic the latter must be the more heinous offence. The conscientious objector is always on unsafe ground,

because he will have such a question put to him as, "Would you not try by force to stop a man who tried to rape your wife?" But the individualist who will take the attitude when called to a conscript army—and all countries in the last analysis are the same in this respect, however different they may be in others—"I reserve the individual right to decide for myself whether I shall kill a fellow human being. I defy the right of any collective group (that is what a nation is) to decide the question for me," there is no logical answer. The only effective answer from the Powers that Be is to shoot him dead on the spot—and that answer has not infrequently been given. The irony of the wholesale murder of millions of misguided people of all shades of national and religious allegiances in the Great War was the futility of it in accomplishing any of the objects that were so frequently spoken of. Woodrow Wilson's slogan that it was the war to end war sounds really silly in these days. Lloyd George's "hang the Kaiser" is equally so. The Kaiser is living quite comfortably, two decades after the war started. The only really beneficial result of the war was that it put an end to a few dynasties, but be it remembered that in each instance it was *the subjects owing allegiance to the ruler in question that attended to the job and not the armies on the other side of the border.*

False teachings of nationalism, repression of perfectly innocent and logical ideas, inhuman restrictions on movements of population, and silly, uneconomic restraints on world commerce—in some of these matters America, despite its general liberality, is as guilty as is any country—are responsible for much of the violence that is rampant throughout the world to-day, whether it be exhibited in "legitimate" wars or the assassination of a monarch by some fanatical individual. Just a minor point in conclusion. The assassin in this case made use of a false passport—one more example of the fact that the passport system does not stop the criminal—it merely harasses the millions of everyday citizens who ask for nothing more than to be allowed to move about the world peaceably, without restraint, with no other desire than to live and to let live, and incidentally trying to earn their living in an honest way. In the matter of charging an excessive fee for visas and passports, America has been the original and principal offender. America has brought so much ill-will upon itself by this heavy passport visa fee—for it has inevitably invited retaliation (even weak China has retaliated with almost "savage" regulations)—and has harassed its own citizens to such a degree that it has lost in actual dollars and cents through the loss in commerce and tourist revenue, more than the increased revenue it has collected through the charging of these excessive visa and passport fees. Incidentally it is taking the lead in perpetuating an archaic system which up to 1914 was only enforced in the benighted realms of the Romanoffs and Abdul the Damned. As a means of curbing "red" or other unpleasant (to the possessors of inherited fortunes particularly) ideas the passport system is proving just as ineffective in the United States as it was in the Russia and Turkey of old.

China Imposes Heavy Duty on Silver Exports--- Country Now Has a "Managed" Currency

CHINA is off the silver standard, just as England and America are off the gold standard. In other words China now, like England and America, has a "managed" currency. That means that the dollar in China as in the United States has just the value that the nation's financial authorities choose to make it, or at least as near as they are able to make it so, for they must, naturally, be guided in their actions by the surrounding circumstances. The history of what has happened during the week is only partially told in the following paragraphs. The action of the Chinese Government came with surprising swiftness, and silver which had already been loaded on ships for export, both British and American, was subjected to a heavy tax, which had been invoked over night. In some cases the shippers decided to take the silver shipments off the boats—in others the shippers decided to pay the tax, enter a protest, and trust to luck to get their payment of export duty back, on the ground that not sufficient notice was given of the change. Eight million dollars worth of silver was taken from the British steamer *Comorin* just before she sailed. Some of the silver on the Dollar liner *President Grant* was also removed. The duty was paid on about a million dollars worth on this steamer, and shipped as originally intended.

A virtual government control of both silver and gold bar prices as the first step towards the unification of China's currency system was effected Oct. 16 with the enforcement of the Finance Ministry's ban on gold bar speculations in coordination with the imposition of an export levy on silver.

The order of the Ministry of Finance banning transactions in anything but actual gold bars, brought the Central Bank, official organ of the government, into more complete control of China's finances, as the price of gold bars, effective from Oct. 16, was based on the Customs Gold Unit, which in turn will be based on the market price of gold in London instead of on United States gold Dollars.

December transaction in gold bars were commenced on said date set as the date of the change-over from old October and November bars.

Shanghai silver exporters had to pay on said date an equalization charge of 8 per cent additional to the export tax of 7.75 per cent on silver dollars and mint bars and additional to the 10 per cent on all other forms of silver including sycee. The Central Bank at 11.30 o'clock on said date announced that the differential between the Central Bank's rate and the London-Shanghai cross rate required the fixing of an additional levy of 8 per cent in order to bring silver to an exact parity in Shanghai and in London. This action is an example of what from now on will be the daily routine. The indications are that the Chinese National Government is working definitely toward the introduction of a gold bullion backing for its currency.

THE Chinese Government Oct. 14 issued the following order:

"In view of the undue rise of silver out of relation to the level of general commodity prices, the National Government, in order to safeguard China's economic interests and protect its currency, has fixed the customs duty on exports of silver, effective Oct. 15, as follows:

"On silver dollars and mint bars, 10 per cent, less 2½ per cent minting charges paid, i.e., 7½ per cent net. On other forms of silver, 10 per cent. (in lieu of 2½ per cent.) In addition, an equalization charge will be imposed on exports of silver equal to the deficiency, if any, existing between the theoretical parity of London silver and a rate of exchange officially fixed by the Central Bank of China, after making allowance for the export duty."

Dr. H. H. Kung, Minister of Finance, in a statement, stressed the idea of stabilization and said that the Government had decided against an embargo and preferred a flexible duty that would restrain the exports of silver within the actual limits required by the balance of payments.

In commenting upon the order, according to the *Kuo Min News Agency*, Dr. Kung stated that there is no reason to expect that the forces that have been stimulating the price of silver

abroad will soon cease to operate. Therefore the Government, out of regard for the economic welfare of the people who live in China, had taken this measure as a necessary step to safeguard China's currency from a potentially dangerous drain of the country's monetary reserves, and to place a check upon the operation of the harsh deflationary forces which have been reflected in falling internal prices.

The measure had been determined upon, said Dr. Kung, after most careful consideration of various proposals for meeting the emergency, and after full consultation with leaders of business and finance. Among these proposals, an embargo has most frequently been suggested. The Government considered, however, that an embargo should not be imposed, and preferred a flexible duty that will restrain exports of silver within the limits actually required by the balance of payments. Dr. Kung expressed assurance that the measure would allay the misgivings that have lately disturbed the markets and by stabilizing the situation would permit legitimate business to proceed with renewed confidence.

Dr. Kung, when asked concerning rumors about the possibility of reduction of the silver content of the dollar, stated that this subject had never been mentioned at any of the conferences and that he would not even consider such a proposal if made.

Central Bank Order

The Central Bank of China Oct. 14 made the following announcement:—

"Notice is hereby given that the Central Bank of China will notify to the Customs at 11.30 a.m. on every business day, beginning October 15, 1934, its official rate for determining the deficiency between the theoretical parity of London silver and the rate on London in Shanghai, in accordance with the terms of the Government order fixing the duty and imposing an equalization charge on exports of silver."

Kemmerer Report Proves Helpful

The *Central News* in a review of the silver situation recalls that promptly following upon a decision to impose a new customs duty on silver exports in order to safeguard China's economic interests and protect its currency against the potentially dangerous drain of silver from this country, the Finance Ministry has turned its efforts to the problem of the unification of China's monetary system. Efforts toward this direction were made by T. V. Soong early during his tenure of office as finance minister, and it was during that time that a commission of financial experts, headed by the well-known Prof. Edwin Kemmerer, presented, following a painstaking study into the monetary system of the country, a report proposing a uniform and nationwide currency and the introduction of a gold standard. Although the recommendations of Dr. Kemmerer were not carried out due to their inherent difficulties and several other causes, it was the firm belief of the financial authorities that a uniform currency for the country is one of the most pressing reforms for the nation's domestic life.

Since his assumption of office, Dr. H. H. Kung, the finance minister, has been most concerned over this gigantic task, which he tackled from many different angles. Nation-wide investigations were started early this year into the local currency conditions in the most remote provinces and cities and already voluminous data are in hand which will form the basis for detailed discussions.

Li Ming Makes Investigations in London

Li Ming, prominent Shanghai banker, during his recent trip to London to attend the wedding of his daughter, was entrusted by the finance minister to make investigations into the several countries he visited, and to ascertain if such systems may throw interesting light on the proposed currency reform which the Finance Ministry has in mind. Li Ming has now returned to Shanghai, and, it is learned, will make a lengthy report to the finance minister on what he had gathered during his extensive trip abroad. According to information from financial circles, the resignation of Lu Hsueh-pu, director of the Central Mint, will be accepted by Dr. Kung, who is now considering the names of Mr. Lu's probable successors.

The step taken by the Ministry of Finance in regard to a silver export levy is reported to have been decided upon following discussions between Dr. H. H. Kung, minister of finance, and leaders of Chambers of Commerce, the Shanghai Bankers' Association, and the Shanghai Native Bankers' Association, who urged that immediate action be taken by the government to

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Red Capital in Kiangsi Captured by Nanking Forces; General Chiang Inspects Northwest

High Lights in the Events of the Week;

1. Nanchang Headquarters Announces Capture of Juikin
2. General Chiang Kai-shek Visits Loyang and Sian
3. Japanese Minister Confers with Wang Ching-wei at Nanking
4. Yutien Incident Said Completely Settled
5. Tibet to Send Good-Will Missions to Neighboring provinces
6. General Chen Chi-tang Reaffirms Support to Nanking
7. Many Students Arrested at Canton Following Discovery of Plot
8. Canton to Have Foreign Navy and Air Instructors
9. War Minister Ho Ying-chin Returns to Nanking
10. Dr. Kung Sees No Changes in Government After Party Congress

Juikin, Red Capital in southwestern Kiangsi, has been captured by the Government troops, according to a report circulated by the *Central News Agency* in Nanking and Shanghai Oct. 15. The report added that the Reds in Kiangsi are likely to attempt an invasion into southern Hunan.

Hingkuo, another important Red stronghold in southern Kiangsi, was occupied by units of the 9th Column under General Chou Hun-yun (attached to the Northern Route Bandit-suppression forces under General Ku Chu-tung) at noon Oct. 14, according to an official communique by the Nanchang Military Headquarters. The Communists belonging to the 1st and 8th Red army corps, who were considerably reduced in numbers as a result of sanguinary fighting on the outskirts, were compelled to abandon the city and fall back on Lungkangtow, 10 miles east of Hingkuo, and on Ningtu, another Red stronghold situated between Hingkuo and Shihcheng in southern Kiangsi. With the capture of Juikin, Shihcheng and Hingkuo, only three Red strongholds were left in southern Kiangsi—Ningtu, Yutu and Hweichang.

More than a thousand dwelling houses and shop buildings in Nanchang with an unestimated but presumably exceedingly great loss of lives and properties have been destroyed by one of the worst fires which visited that city afternoon Oct. 15. The fire started in the western section of the city at 3 p.m. and extended in the course of a few hours over an extensive area of more than a mile. Despite the strenuous struggle of the entire force of the fire brigade in Nanchang, it was not brought under control until late in the evening. The rapid and unchecked spread of the fire was attributed largely to the lack of sufficient water supply in the city where there are only small creeks and wells, but no modern waterworks. The construction of the buildings mostly by wood and bamboo is given as another principal cause.

General Chiang Kai-shek Visits Loyang and Sian

Gen. Chiang Kai-shek, Chairman of the Military Affairs Commission, accompanied by Madame Chiang, Gen. Chang Hsueh-liang, and several other high military commanders, arrived at Loyang from Hankow Oct. 10. Shortly after arrival, Gen. Chiang motored to the Loyang School of the Central Military Academy and presided at the opening ceremony of the school. In a powerful speech, Gen. Chiang effectively impressed upon minds of the cadets the importance of their duties and responsibilities in future and urged them to strive hard to live up to the call of their nation.

Following the visit to Loyang, General Chiang, accompanied by Madame Chiang and General Chang Hsueh-liang proceeded to the Northwest and arrived at Sian

provincial Capital of Shensi, by airplane afternoon of Oct. 12. He was welcomed by a large gathering at the aerodrome. In the evening he received the important Provincial leaders and inquired into conditions in Shensi. General Yang Hu-cheng, pacification commissioner, and Shao Li-tze, Governor of Shensi province, met the visitors at the railway station at Wei Nan. A tea reception was given by Mr. Shao at the famous historical garden at Liwa Ching tze. The Generalissimo and his party were greeted with a 21-gun salute as they reached a point three miles outside of the east wall of Sian. The road from there to the city gate was lined by troops, by scouts and about 3,000 girl guides.

Owing to heavy rain, General Chiang remained at the Sian Pacification Headquarters all day Oct. 14. In the afternoon, he received the Provincial Commissioners of Civil Affairs, Finance, Reconstruction and Education for Shensi, and inquired in detail into the work of their respective departments. General Chiang expressed his approval of the measures taken by the Shensi Provincial Government in connection with opium-suppression.

Vanguards of the Government troops in western Fukien have already occupied the highlands west of Hotien and Tsaifang. With the Communists at Changting under full view of the Government forces, the latter are able to shell the Reds from their elevated positions. The defence of the Communists is weakening gradually and they are preparing to withdraw from Changting. The Government authorities are optimistic regarding the military situation. It is generally believed that, as the Nanking forces in Kiangsi have already captured Juichin, the Government troops in Kiangsi and Fukien will be able to combine for a joint attack on Hueichang, the last stronghold of the Reds in Kiangsi.

Military advices from the front state that the majority of the Red forces have already evacuated Changting, the last Communist stronghold in southwestern Fukien, with only their scouting units remaining in the city for sentinel duty.

The Fukien Provincial Government is planning to build a railway linking up Swatow in north-eastern Kwangtung with Yushan in western Chekiang to facilitate communications between the South-eastern provinces. The projected line is to start from Foochow, passing Yenping, Tingchow, Lungyen and Changchow, to Swatow.

Szechuan Front Quiet

There have been no further developments in the military situation in Northern Szechuen during the week. The provincial forces are still on the defensive, while the Communists are taking the offensive. So far there has been no change in the position of the rival forces. Although the Reds have launched several severe onslaughts, the provincial forces have been able to repulse all of them. General Chiang Kai-shek has sent 2,000,000 rounds of ammunition for the use of the Szechuen troops and has instructed General Liu Hsiang to resume his duties at once, setting a time-limit for the recapture of all points lost to the Reds in the recent general retreat of the provincial forces.

Many students have been impressed into military service by the troops of General Liu Hsiang. It is understood that, as a result of the recent operations against the Communists in northern Szechuen, more recruits are necessary to fill up the vacancies in the army. At first ricksha pullers and workers were impressed, but as they went into hiding the recruiting units began to visit schools to impress students into service. The practice was brought to the attention of General Liu Hsiang Oct. 9, when the Kweichow representative in Chengtu filed a protest against the seizure of Liu's soldiers of four Kweichow students. General Liu has issued a strict order prohibiting further impressment of students and the Kweichow students concerned were ordered to be sent back to their schools.

According to a report received at Canton Oct. 12 from General Li An-leu, commander of the Kwangsi Army Corps, government troops on October 7 killed 300 communist-bandits and captured 100 rifles following a fierce battle near Wukong, in the western section of Kweichow province.

Taking advantage of the Red activities on the Kwangsi-Hunan-Kweichow border, a band of Communist-bandits have started activities in the vicinity of Poshei. Fighting is reported to be in progress in that region between the garrison troops and the Reds. General Fai Chung-ni has ordered the 45th Division to rush to the scene to round up the Reds and, at the same time, a telegram has been sent to General Lung Yun of Yunnan requesting him to dispatch a detachment of troops to assist in the campaign.

The remnant "Red" outlaws under Faisio Ko have sustained another defeat at Shih-tien, eastern Kweichow, where they were attacked by the Hunan troops under General Li Chio. The Reds have turned back and retreated south-westwards to T'zekingwan, 80 miles north-east of Kweiyang, where they are being enveloped by the combined Hunan-Kwangsi-Kweichow forces.

The Communists in southern Hunan have been surrounded on all sides by the Hunan, Kwangtung, Kweichow and Kwangsi forces. The Reds are putting up a stiff resistance against the Government forces and fighting of a serious nature is now in progress near Szeping and Yuchin in southern Hunan.

30 Communists Arrested in Shanghai

Over 30 alleged communists, including seven women, have been arrested by French police in a series of raids in different places in French Concession during the week following the arrest of a middle-aged man named Chang One-san, alias Fisu riung-dah, allegedly a communist, who was nabbed at 34 Rue Moji and a big sum in sterling and American currency found in his possession. Immediately following his arrest, six radio sets, all of short wave length, were found at Lane 31, house 52 on Unga Road and in another house at Lane 138 No. 122 on Washing Road. Two other men were arrested in the raids carried out at the two places.

Large quantities of communist documents and literature were seized in the raid at the house on Moji Road, all of which are of an incriminating nature. It was reported that the money found in Chang's possession was remitted from the U. S. S. R. via Berlin, and the United States.

The arrested alleged communists will come up for trial at the Second Special District Court. Further details are lacking as police in the two Settlements are still working on further clues secured and are reticent on the matter.

Japanese Minister Visits Nanking

Akira Ariyoshi, Japanese Minister to China, returned in Shanghai by train October 14 from a trip to Nanking, where he called on President Wang Ching-wei in connection with the case of deportation of Chinese Nationals by the Japanese Government. On his way back to Shanghai, Mr. Ariyoshi visited Soochow and inspected consular affairs there. It is understood that Mr. Ariyoshi will leave Shanghai about the end of this month for a tour to inspect the Japanese Legation and consular services in North China.

The Nanking Government's rejoinder to the Japanese reply regarding the illegal deportation of Chinese nationals from Japan has been forwarded to the Japanese authorities. In this note, it is stated, the Government refutes several points in the Japanese reply, and cites present Japanese laws and the history of Chinese nationals resident in Japan.

Yutien Incident Settled

Rengo reports that the Hopei Provincial Authorities have complied with all the demands made by the Japanese Legation at Tientsin in connection with the recent murder of a Japanese merchant in Yutien in the demilitarized zone and the issue is closed.

A company of Japanese infantry commanded by Captain Yoshimura arrived at Malanyu October 14. The Company which consists of more than a hundred soldiers, is expected to remain there for some time.

Ying Ju-ken, Administrative Inspector of the Chiehhsien-Miyun Area, and Col. Shibayama, the Japanese military attache, accompanied by an armed squad of the Peace Preservation Corps, left Peiping for an inspection visit to Malanyu October 15. It is understood that the trip is being undertaken for the purpose of perfecting arrangements for the retrocession of the Pass to the Chinese Authorities, which is expected to be effected before the end of the month.

Chen Shao-wu, delegate of Prince Teh, Secretary-General of the Mongolian Political Council, has returned

to Peiping from a trip to the South where he saw General Chiang Kai-shek. Interviewed, Mr. Chen said that he was carrying with him an autograph letter from the Generalissimo to Prince Teh and Prince Yun, Chairman of the Council. The letter contained two points. First, General Chiang urged Princes Teh and Yun and all the Mongolian leaders to cooperate with one another in saving the critical situation in Inner Mongolia and strengthening the defenses of the border. Secondly, General Chiang said that the National Government would do everything in its power to foster Mongolian self-government.

To show his devotion to the Panchen Lama, Prince Teh of Chahar has built a temple for the Tibetan leader in the northern corner of the province. The temple will soon be handed over to the Panchen Lama.

The Mongolians are building highways and so far 600 miles of roads have already been constructed, so that it is now possible to reach Hsianchnin, in Inner Mongolia by motor-car.

Tibetans to Send Good-will Missions to Neighboring Provinces

General Huang Mu-sung, Special Commissioner to Tibet, in a telegram received at Nanking October 15, reports that the Tibetan authorities have decided to despatch a number of representatives to Yunnan, Sikong, and Chinghai (Kokonor) on a goodwill tour. In accordance with General Huang's recommendation, the Central authorities have instructed the Provincial authorities of the three provinces to accord adequate protection to the Tibetan envoys.

Li Tan, Secretary-General of the Chinghai (Kokonor) Provincial Government, who started on a trip to Tibet on September 26, reports his arrival at Lhasa on the 8th inst. In a telegram to Shao Li-tzu, Chairman of the Shensi Provincial Government, Mr. Li states that he was cordially welcomed by the Tibetan leaders on his arrival at Lhasa.

Anchin Hutuktu, personal representative of the Panchen Lama, left Hongkong for Calcutta October 13. He was given a warm send off by representatives of the various public bodies in Hongkong.

Reconstruction in the Northwest

A gigantic wooden bridge across the Yalung Kiang (River) in Kantsu, north-eastern Sikong, has now been completed. Communications in Kantsu have long been handicapped with the river cutting off the district into two sections from north to south. With the completion of the bridge, which is 1,000 feet long and 40 feet wide, not only will traffic be greatly facilitated, but inter-provincial communications between Sikong, Tibet and Chinghai (Kokonor) will also be improved.

A trial radio telegraph service between Lanchow, Kansu, and the Ordos (Yeghe Jo) League in Mongolia, was started October 10 by order of General Chu Shao-liang, Chairman of the Kansu Provincial Government. Regular radio communication will be operated as soon as the tests prove successful.

In order to utilize soldier labor in reconstruction work, General Ma Hung-kuei, Chairman of the Ninghsia Provincial Government and concurrently Commander of the 15th Army, has put his troops to work on highway construction and river dredging in the province. To assist the local administration and to obtain a closer insight into conditions among the people, the Provincial Government has been sending deputies to the various districts for purposes of inspection and supervision.

Under the auspices of the National Economic Council, a new motor-car highway will be constructed from Paotouchen in Suiyuan to Ninghsia. The work will be undertaken by soldiers of the two provinces and the necessary funds will be supplied by the Council.

Ominibus service on the Suiyuan Sinkiang Highway has been resumed as far as Hami, eastern Sinkiang. Service on the section from Hami to Tihua, capital of Sinkiang, will be temporarily operated by the Sinkiang Provincial Government.

General Chen Chi-tang Reaffirms Support to Nanking

General Chen Chi-tang has addressed a lengthy letter to General Chiang Kai-shek in which he reaffirms his support of the Central Government. The letter was sent to Kuling by Tien Hsi, General Chen's representative.

Interviewed by the press Hsiao Fo-chen, the veteran Kuomintang leader, expressed dissatisfaction with the reply of the Central Government to the two telegrams sent to Nanking by the South-west Political Council. According to Mr. Hsiao, the Government's reply was sent in the name of the Secretariat of the Central Kuomintang Headquarters and it only acknowledged receipt of the two telegrams from Canton. It concluded that the points raised by Canton would be brought up for discussion at the forthcoming National Party Congress.

"Hu Han-min is strongly in favor of co-operation among the different factions in the Kuomintang Party as he firmly believes that without it, there will be no way to save the country from destruction," said Dr. Wang Chung-hui in an interview with the press at Hongkong October 15. Dr. Wang declared that he had seen Mr. Hu several times following his arrival in Hongkong and that the veteran statesman was deeply concerned over national affairs. Dr. Wang has left for Canton to see Generals Chen Chi-tang and Li Tsung-jen and will then return to Nanking to make a report to the Government on the outcome of his mission.

The *Central News Agency* reported that the C. E. C. members in Canton have recently sent an urgent telegram to General Tsai Ting-kai, who is now in the United States, urging him to return at once to start a new independence movement in South China. The request, however, has been turned down by the former commander of the 19th Route Army. General Chen Ming-shu, chairman of the now-defunct Fukien people's government, has resumed his activities at Hongkong and many of his former followers have returned to South China from abroad. General Chen recently approached General Chen Chi-tang requesting permission to return there, but the latter has not yet agreed.

Under the leadership of Hsiao Fu-chen and Chow Lu, leaders of the C. E. C. members in Canton, an association will soon be formed which will be known as the National Party Salvation Association. General Chen Chi-tang has not yet endorsed the plan. Representatives of many anti-Nanking leaders are now active in Canton.

The Kwangtung Provincial Government has issued an order for the banning of several magazines and books which are published in Shanghai. These periodicals are found to be objectionable by the Southwest Censorship Bureau of Publications. Prohibition of the sale of these magazines is based on the fact that they publish either pro-communist articles or material against the Southwest Kuomintang. Among the works were those written by Kuo Mei-jo, a well-known Socialist scholar and writer.

By order of the South-west Political Council, the Press Censorship Bureau in Canton will be formally abolished as from October 16, but in its place a bureau will be established for the examination of publications with a view to guiding public opinions in the South. The new bureau will be inaugurated as soon as the press censorship bureau is abolished.

Dr. Lo Wen-kan, the retiring Minister of Justice, arrived at Hongkong from Shanghai October 12 by the Empress of Canada. Interviewed, Dr. Lo said that since he had returned to private life, he was not in a position to give any views on the situation. He stated that he was returning to his native city in Kwangtung and would devote his time hereafter to study and authorship. He left Hongkong for Canton by the afternoon express on the Canton-Kowloon Railway.

Many Students Arrested in Canton

As a result of the discovery of an extensive plot to overthrow the existing regime in Canton, the Cantonese authorities have ordered a strict search for suspects throughout the city. The search was started October 11 and all schools and hotels were visited, as well as places of amusement. Arrivals on steamers and trains were also subjected to a strict examination by the police, who were authorized to arrest anyone upon the slightest suspicion.

The Canton Public Safety Bureau arrested on October 13 seven girl students of the Provincial Girl's Normal School alleged to be members of a reactionary organization that had been engaged in plotting against the peace and order in Canton. The seven girls are reported to have been executed secretly.

The search of all the schools in Canton have been systematically searched and no less than 150 students have so far been arrested. Among them, 27 are said to be charged

with serious offences and they are now being detained at General Chen Chi-tang's headquarters, where they are not permitted to see friends. Rumour has it that they are liable to be executed on a charge of sedition. The arrests are a sequel to the discovery of a serious plot.

Canton to Have Foreign Navy and Air Instructors

According to a plan drawn up by Admiral Kiang Yen-chung, head of the Whampoa Naval Academy and commandant of the Whampoa cruiser squadron, two British and two American naval instructors will be engaged for training the cadets and those connected with the Pearl River Flotilla. The scheme, it is stated, has been formulated at the instance of General Chen Chi-tang, who wishes to enlarge the Naval Academy with a view to training better officers.

Adequate naval defense for Kwangtung is deemed necessary in view of the extensive coast line. It is felt that although Canton is an inland port, a fleet is required for the protection of Swatow, Hoihow, in Hainan Island, and Pakhoi in the southwest. Swatow is vulnerable from the military point of view, but can be defended by an efficient navy. In the meantime, the three cruisers at Whampoa, the Haichi, Haisen, and Chaoho, will shortly proceed to Hongkong for overhauling. They have been moored in the Pearl River since June, 1933, following a very rough passage from northern waters, where they mutinied.

Six Curtiss-Hawk pursuit planes staged a mimic battle afternoon October 8 with nine Corsair and Douglas bombing planes, when machine guns of the planes, when machine guns of the planes and anti-aircraft guns on the airdrome also went into action to give an impression of reality.

Five American instructors are teaching the Chinese fliers how to launch aerial combats and defense. During the past few days, 54 first-line airplanes flew in different formations over Canton.

Kwangsi Enforces Conscription Plan

By order of Generals Li Tsung-jen and Pai Chung-hsi, the new conscription plan has been put into execution in Kwangsi. Each street in cities and each village must furnish twenty men to serve in the army. At Wuchow soldiers are visiting private houses to ascertain the number of male members in each household. People unwilling to join the army are leaving Wuchow and many shop-hands have resigned to avoid military service. So big is the exodus that all vessels leaving the port are crowded. Generals Li and Pai are said to be determined to recruit 180,000 men as a reserve corps. Soldiers of the new unit will have to provide their own rices or purchase them from the authorities. The main purpose of the scheme is to increase the defensive power of Kwangsi.

General Wang Chia-lich, Chairman of Kweichow, is reported to have decided to resign in favour of General Yu Kuo-tsai, his chief opponent, General Wang will, however, retain his concurrent post as garrison commander of Kweichow, while General Yu will assume charge of the civil affairs in the province.

War Minister Ho Yin-ching Returns to Nanking

After an absence from the Capital of 19 months during which he has been serving as Acting Chairman of the Peiping Branch of the Military Affairs Commission, General Ho Ying-chin, Minister of War, returned to Nanking from the North by train October 12. He was greeted at Pukow station by a large number of civil officials and military officers.

Interviewed, General Ho stated that having been away from the Capital for more than a year and half he intends to readjust the affairs of the Ministry of War before returning to the North. He said that a total of 57,000 officers and soldiers has been disbanded by the various armies and divisions under the direct jurisdiction of the Peiping Branch of the Military Affairs Commission in order to balance military budget.

Referring to the Mongolian situation, General Ho said that since the establishment of the Mongolian Local Autonomy Political Affairs Council, Princes Yun and Teh respectively Chairman and Secretary-General of the Council, as well as the various Mongolian princes and dukes, have pledged their unequivocal support to the Central Government; they are anxious to promote the development of education and industrial enterprises in Mongolia. Progress, however, is hampered by the nomadic life hitherto led by the Mongols.

Increase in Land Tax Prohibited

General Chiang Kai-shek has issued a circular order to the provinces instructing that no increase should be made in the land tax in consideration of the heavy burden already borne by the people. General Chiang declares that in case funds are required to finance constructive plans, other means should be found.

Ministerial Changes in Nanking Government

Chu Cheng, President of the Judicial Yuan, has been appointed concurrently Minister of Justice to succeed Dr. Lo Wen-kan, who has resigned from that post. Hsieh Kwan-sheng, originally secretary-general of the Ministry of Justice, has been appointed vice-Ministry.

The resignation of Dr. Lo Wen-kan and Cheng Tien-hsi and Shih Chih-chuan from their positions of Minister and vice-Ministers of the Ministry of Justice came as the Central Political Council to incorporate the Ministry under the Judicial Yuan. The Ministry of Justice was formerly attached to the Executive Yuan.

Kuo Chun-tao, vice-Minister of Industry, who left China last Spring on an industrial inspection tour to Europe and America, has tendered his resignation. Mr. Kuo who is now in London, will soon leave for South America to investigate the conditions of the large scale industries there.

It is reported that General Huang Shao-hsiung, the incumbent Minister of Interior, will shortly be transferred to be Chairman of the Chekiang Provincial Government to succeed General Lu Ti-ping who has resigned owing to ill-health. The post vacated by Minister Huang will be filled by Chen Pu-lai, secretary to General Chiang Kai-shek at Nanchang.

The National Government issued a mandate October 9 conferring on Dr. W. W. Yen, the first Chinese Ambassador to Soviet Russia, the Tsai Yu Medal, First Order. The Second Order of the same decoration was awarded to General Chiang Tso-pin, Chinese Minister to Japan, Quo Tai-Chi, Chinese Minister to France, Dr. Alfred Sze, Chinese Minister in Washington, and Dr. Liu Wen-tao, Chinese Minister to Italy.

Lei Pao-hua, Commissioner of the Reconstruction Department of the Shensi Provincial Government, is visiting Shanghai shortly for the purpose of negotiating a loan with local bankers for river conservancy work in Shensi. The loan has been temporarily fixed at \$2,000,000 and negotiations regarding the terms will be discussed immediately on Mr. Lei's arrival in Shanghai.

General Chiang Pai-cheng, member of the Peiping Branch Military Affairs Commission, who had been delegated by General Chiang Kai-shek to Canton to confer with the Southwestern Authorities on the bandit-suppression problem in Kiangsi, arrived in Shanghai from Hongkong October 15 on way to Kiangsi to report to the Generaissimo on his mission.

Dr. Kung Says No Government Changes Likely

No changes in Government organization will be made at the Fifth National Koumintang Congress scheduled to be held on November 12, declared Dr. H. H. Kung, Minister of Finance, in a press interview in Shanghai October 12. The Finance Minister cited reports which have been current that the Southwest Political Council had urged certain changes in government organization which, he pointed out, are unfounded. Nor are any changes contemplated by the Central Government in Nanking, he said.

Nanking-Pukow Train Ferry to Have New Boat

Marking a further step towards the improvement of the Nanking-Pukow train ferry service, the Ministry of Railways has decided to purchase another carfloat ferry to team up with Chang-kiang—first ferry-boat of its kind in the Far East. According to the preliminary plans of the Ministry materials for the ferry will be purchased from England while the boat will be constructed in China, probably by the Kiangnan Dockyard of the Ministry.

The Ministry of Railways is planning the construction of a branch line on the Tsingpu Railway between Penpu and Chengyangwan in Anhui. The distance is 54 miles and the cost of construction is estimated at \$2,000,000.

A new railway loan has been signed between the Ministry of Railways and the British and Chinese Corporation, Limited, for the completion of the unfinished section of the Hangchow-Ningpo Railway. The loan, which amounts to \$16,000,000, will be refunded in eighteen annual instalments beginning from next year.

The Nanking-Wuhu section of the Nanking-Canton Railway will be completed before the end of this month. The line will pass through Kiangsu, Anhui, Kiangsi, Fukien and Kwangtung. The Nanking station of the new line will be outside the Chunghua Gate and will occupy an area of 300 mow.

The two newly constructed gunboats, "Cheng Ning," and "Chang Ning," of the Naval Ministry, were formally put into commission October 10. Chiang Heng-shih and Wu Chien-i were sworn in office as Captains of the vessels. The two gunboats will form part of the River Defence fleet.

China Merchants Buying American Steamers

The China Merchants Steam Navigation Company is reported to be negotiating with the United States Shipping Board for the purchase of a large number of steamers for service in this country. Payments will be made in instalments.

Foreign Travellers Must Carry Pass-ports

In the event of trouble occurring, foreigners found travelling in the interior or hinterland without a passport should be detained and handed over to the nearest Consulate concerned, according to latest instructions from the Ministry of Foreign Affairs to the various Provincial Governments.

The National Water Conservancy Commission, organized by the National Economic Council, has commenced functioning since October 12. The Commission is composed of the 20 members with Finance Minister H. H. Kung, as Chairman.

So far no less than 70 kinds of irregular taxes have been abolished in the various provinces during the past six months following the National Finance Conference. If collected, they would have yielded a sum estimated at \$20,000,000. Kwangtung, Kwangsi and Yunnan are now making vigorous headway with the tax-abolition campaign.

The Ministry of Justice has decided to put the plan of sending prisoners to reclaim waste land in the North-west into execution so as to make room for new criminals. The Ministry is now making arrangements for the purchase of 20,000 mow of waste land in Shensi and about 20,000 prisoners will be sent there to reclaim it as soon as the purchase has been made. It is understood that, if the scheme turns out a success, more land will be purchased and more prisoners will be sent for reclamation purposes.

Progress in Cooperative Enterprises

Considerable progress has been made in the development of co-operative enterprises throughout the country since the establishment of the National Government at Nanking seven years ago, according to information from the Central Statistics Bureau. In 1927, there were only ten provinces and two municipalities wherein co-operative societies were found, the number of these societies and that of the members totalling only 584 and 1,400 respectively. In the present year, the latest statistics reveal, co-operative enterprises thrive in twenty one provinces and seven municipalities. The number of co-operative societies and that of the members have been increased respectively to 9,948 and 373,856.

To regulate the food supply and institute the granary system in Kiangsu, the Kiangsu Provincial Government is now negotiating a loan of \$1,800,000 from four Chinese banks in Shanghai. In order that the project may be immediately launched, the Provincial Government will appropriate a sum of \$360,000 at once for the purchase of cereals from northern Kiangsu to relieve the drought-stricken districts in the southern part of the province.

Up to date October 15, approximately 180,000 opium addicts have registered with the Kiangsu Provincial Opium Suppression Committee. Soochow heads the list with 14,024 registrations.

Chientao---Manchurian "Back Door"---In the Scheme of North Korean Railways

(By the Review's Harbin Correspondent)

UNTIL recently the Manchurian "back door," or the entrance into Manchuria by way of North Korea had but a little attention on the part of the Japanese. In this respect, a turning point came soon after the Mukden Incident of 1931, and the subsequent appearance of "Manchukuo"; previously, they were engaged in the trimming of the "front door," or the entrance into Manchuria by way of Dairen and

Once, the former Korean Government even tried to annex the district, but failed only because of a strong attitude taken by China. It occurred in 1901, in the wake of the Boxer Trouble, soon after the occupation of Hungchung and its district by the Russian troops. The Koreans took that opportunity to assert their authority in Chientao, for which purpose they sent, probably with a tacit consent of Russians, their policemen and officials to administer the district. After the close of the Trouble and the withdrawal of Russians, they had to call back their officials, too, leaving the district to undisputed Chinese authority.

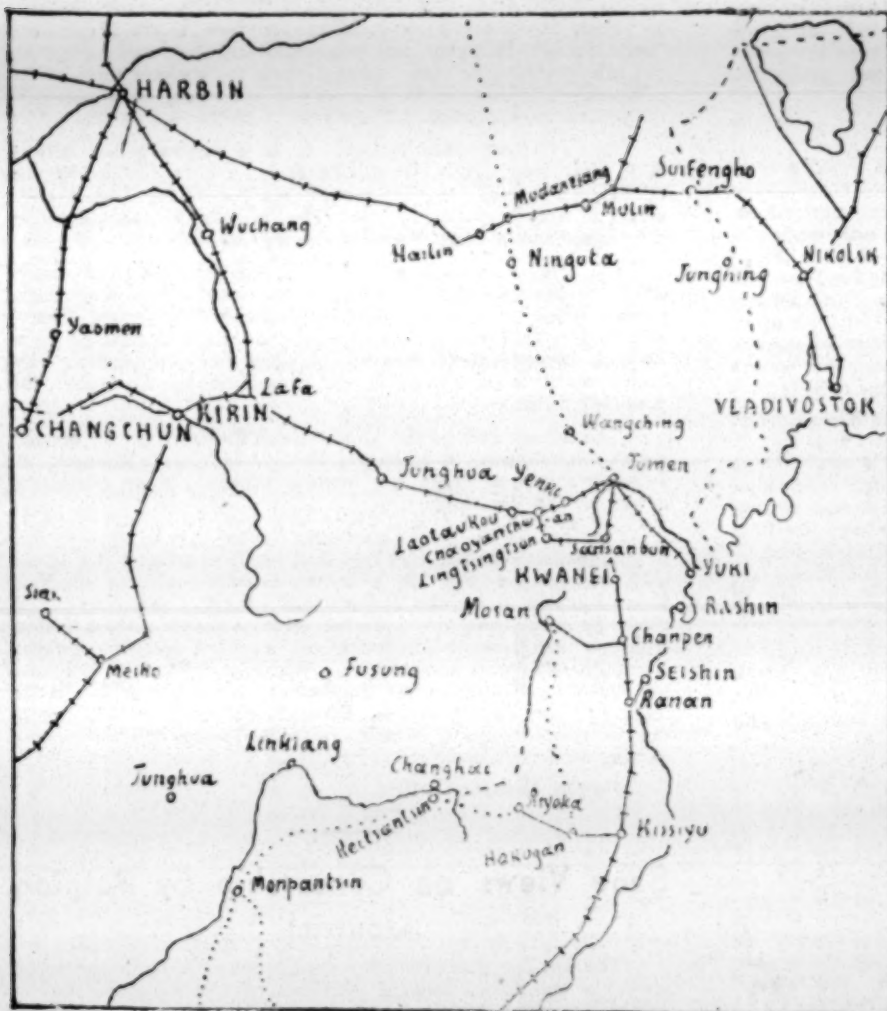
After having taken suzerainty over Korea, the Japanese revived this dispute, asserting Korean authority in Chientao. For a number of years, it was a matter of irritating friction between the two governments. At last, in Aug., 1907, Japan demanded that the Peking Government to settle the dispute, once for all, to her satisfaction. This was refused, whereupon the Korean Resident-General dispatched 60 gendarmes, commanded by Lieut.-Col. Saito, into Chientao allegedly for the protection of Japanese and Korean subjects and their property from "bandits." In the same month, they established a consulate general at Lungtsingsun ("Liutakou" in Chinese), claiming the Korean sovereignty over the district. However, this action took no effect, for the Chinese continued to exercise full authority in the district. Amongst other things, they forced the Koreans to pay taxes and dues on the same footing as did the Chinese.

For about two years, both the governments continued to bicker over the question. At last, on Sept. 4, 1909, they came to an agreement, which once for all put an end to the controversy. The agreement was concluded at Peking, whereby the Chinese sovereignty over Chientao was recognized beyond any dispute. Following this, the Japanese withdrew their gendarmes and troops, leaving the administration of Koreans, residing in the district, in the hands of the Chinese and the consulate general at Lungtsingsun. However, as *quid pro quo* for this "concession," China made a great sacrifice regarding other no less irritating questions. She waived her claims in the following four important matters: (1) to withdraw its objection to the conversion of the Mukden Antung light railway, built by the Japanese during the Russo-Japanese war, into a standard gauge railway; (2) to give up its rights to own the Fushun and Yantai coal mines, previously owned and operated by the Chinese Eastern Railway; (3) to give up its rights to own the Yingkow-Tashichiao railway line, built by the Russians during the Russo-Japanese

war and concerning which they had not had the consent of the Chinese Government, and (4) to waive its rights to build a railway line to Fakumen, that is, a line parallel to the S. M. R.

Having thus sacrificed a great deal of its interests, China, however, had never regained full sovereignty over the district, because the Japanese always continued to claim special rights for themselves and Koreans, residing therein. In 1915, they got up a plan to build a light railway connecting the Tienpaoshan district, where they had important mining and lumber interests, with the Tumen river, allegedly for facilitating the transportation of products of these mines out of the country. Inasmuch as the project savored of all characteristics of their earlier plan to build a trunk line from the Korean border to Kirin, the Chinese Government refused to sanction it. This did not discourage the promoters, who continued to press hard along this line, and after some time, succeeded in establishing a Sino-Japanese joint stock company (in 1917), headed by Wen Loo, styling himself to be a representative of the Kirin "gentry." When the contract, stipulating the organization of the company was submitted to the Peking authorities for approval, they, first, sanctioned it, but afterwards, having discovered its likeness to the Kirin-Kwanei railway, withdrew it.

Thereafter for about two years nothing was heard of the project. In 1920, Wen Loo arrived, as representative of the Sino-Japanese joint stock company at Peking and spent



Railway Map of Manchuria and Environs

Antung, which cities they converted, through years of strenuous efforts, into thriving ports. However, since the establishment of Manchukuo, where their authority is indisputable, they have paid much attention to the "back door," which is having its turn of washing and polishing.

While much has been written in the foreign press regarding the construction of a trunk line connecting the Manchurian hinterland and with the Korean sea outlets, very little seems to have been written on the further progress achieved by the Japanese in building of railways and ports in North Korea and in the adjacent territory of Manchuria.

The Manchurian "back door," comprising four hsiens of Yenki, Helun, Wangching, and Hungchung, of Kirin Province, always was a cause of much friction between China and Japan (Korea). Even as far back as in '90s, China and Korea had considerable difficulties with regard to the administration of this region, commonly known as the Chientao district ("Kanto" in Japanese). It occupies an area of 25,540 sq.km., or approximately 1/10 of that of Kirin Province. On Jan. 1, 1933, its population consisted of 2,555 Japanese, 388,366 Koreans, 177,758 Chinese, and 88 Europeans—in all, 562,000 persons.

considerable time lobbying amongst officials, trying to secure their permission for building the railway. In the midst of these activities, he died rather mysteriously, which pushed the question again into the background. In 1921, the question took rather a sudden turn; it was taken up by the Japanese Minister, who addressed a note to the Chinese Ministry of Foreign Affairs informing that the building of the railway was started, although, in fact, no building activities had ever been started at all. The Chinese Government took no measure of any kind to stop the work; it even did not investigate whether the building of the line was started or not; whereupon, in 1922, the Japanese really commenced the work and brought it to an end in October, 1924, practically without any sanction of the Chinese Government.

How the Sino-Japanese joint stock company, purported to build and operate the Tienpaoshan-Tumen Light Railway, was organized, has never been satisfactorily explained. After the death of Wen Loo, it was stated that half of the capital (\$2,000,000) was subscribed by the "gentry" of Yenki and Helung. However, the populace strongly resented the deal; at some places, it even staged open riots, mobbing the Chinese promoters of the scheme allegedly for the assistance they had given the Japanese to gain a foothold on Chinese soil.

For five years, till 1929, the railway operated practically without permission from Chinese Government. Only in that year, with a view to settling the irritating situation, arising from the absence of the Chinese sanction, did the Kirin Government extend its formal recognition to the joint stock company and the railway it operated. For many years it was linked only with the Korean railway system, for which it served as a feeder. However, soon after the Mukden Incident of 1931, the line again evoked general attention, mostly as a link of the Kirin-Kwanei Railway, the construction of which the Japanese then took up in earnest. Up to that time it was a light railway with a gauge of 2'6"; with the completion of the Tunghua-Laotaukou section of the trunk line it was widened to a standard gauge (4'8½").

Thus having become an integral part of the Kirin-Kwanei Railway, the Tienpaoshan-Tumen line connects with it at Laotaukou ("Rotoko" in Japanese), until recently a small village lost in the Tienpaoshan Mountains. In the vicinity, there is an important coal mine, the property of a Sino-Japanese coal mining company. It is said that, with an important railway line now being laid down from this region towards the Chinese Eastern Railway in the north, the prospects of these coal mines are exceptionally good. On Jan. 1, 1933, the population of the village consisted of 5,118 persons, of whom 135 were Japanese, 3,612 Koreans, and 1,371 Chinese.

Climbs Mahanshan Range

From this point the railway runs along the Buerhatungbo river, and at a distance of 6 miles, reaches Chaoyangchwan, from which it branches out to Yenki, a hsien town 6 miles away from Chaoyangchwan. Yenki ("Kyokusigai, Yenkitsu, Yenkitsi" in Japanese) is an important administrative and commercial center in the region, and was opened to foreign trade in 1909. On Jan. 1, 1933, its population consisted of 791 Japanese, 6,857 Koreans, and 14,644 Chinese, altogether 22,203 persons. From Chaoyangchwan the line runs southward, climbs up the Mahanshan Range and comes down to the Hailan river, crosses it and reaches Lungtsingtsun ("Liutakou" in Chinese). Since 1909, this town has served as a center of Japanese influence in the region. Besides a consulate-general, above referred to, it has several banks, primary and middle schools, and even two newspapers in the Japanese language. On Jan. 1, 1933, the population consisted of 1,297 Japanese, 14,927 Koreans, 3,500 Chinese, 25 Europeans, altogether 19,749 persons.

From Lungtsingtsun the line continues for about 27 miles eastward until it reaches Tifang on the Tumen river, on the opposite bank of which is Sansanbon, northern terminus of the great Gensan-Kwanei Railway (standard gauge, 631.4 km. long), opened to traffic in 1928. Until summer of 1933, Sansanbon was connected with Kwanei by a narrow gauge line (2'6") which was since widened to a standard gauge (4'8½"). In consequence, trains from Korea may now pass into Manchuria right up to Harbin and continue the journey to Tsitsihar, coming back, if need be, to Korea by way of Mukden.

It was a first Japanese plan to connect the Tienpaoshan-Tumen line with the northernmost Korean port of Yuki (and Rashin) by a narrow gauge line to be built from Sansanbon to Nanyo in the north along the right bank of the Tumen (36.2 km.). However, the strained Soviet-Japanese relations have considerably changed this plan in that it was found imperative to make a short cut from Yenki to Tumen (opposite Nanyo) in the east, which they did simply by extending the Chaoyangchwan-Yenki branch to Tumen (54 km. from Chaoyangchwan). With the construction of this line, the original Sansanbon-Nanyo line was not abandoned; in fact, it has recently been completed as a standard gauge line, as they did with the Yenki-Tumen line.

Until recently, Tumen (its old name was Huimodun, "Tomon, Kaibakudo" in Japanese) was a fishing village of the

humblest type. Now, it is rapidly becoming a bustling railway center, especially since the completion of the above named railway lines, which bring it in direct connection with the Manchurian hinterland and Korean sea outlets—Yuki and Rashin in the east (by a standard gauge railway, 144 km. long, opened to traffic in 1932), and Seishin in the south. With Nanyo ("Nanyang" in Korean) on the opposite bank, Tumen is connected by a steel railway bridge, recently completed.

The extreme importance of Tumen as a future commercial and strategic center may also be judged from the fact that, at present, a brand new railway is being built from Tumen towards Ninguta and the Chinese Eastern Railway, which it is to cross at Mudanziang station. The extreme importance of this new railway, both from the economic and military points of view, is self evident and need not be discussed here. Moreover, it is planned to extend it from Mudanziang station northward to the Sungari river. At present, the work is being feverishly pressed from two ends, that is, from Tumen and Mudanziang.

Such are the railway building activities at the Manchurian "back door." However, this account would be incomplete without briefly stating further Japanese plans to connect their colony—Korea—with Manchuria by a railway network, now partly in the process of execution. These plans include:—

(1) *The Kankyohoku Railway.* It is a narrow gauge railway, 60.1 km. long, built from Changpen, on the Gensan-Kwanei railway, westward to the upper reaches of the Tumen river, where it terminates at Mosan. The railway is intended to tap the timber and mining wealth of the region.

(2) *The Keisan Railway.* This line is being built from Kissiyu on the Gensan-Kwanei railway again westward to the Manchurian border, where it is to terminate at Keisantsin (opposite Chang-hai, on the Yalu river). At present, the line is completed up to Riyoka, approximately midway between the two termini. The entire work is scheduled to be completed by December, this year (141.7 km.).

The Mosan end of the Kankyohoku Railway is to connect with this railway at Hakugan, from which the Japanese are building a narrow gauge line towards Mosan. When completed, it will be 188 km. long.

(3) *The North-Korean Colonization Railway.* It is an extension of the mentioned Mosan-Hakugan line, and is to connect Keisantsin with Monpansin (308 km.), in the middle course of the Yalu river, running along the Korean side of the river. As far as could be made out, no work has yet been started on this section, although the Japanese Parliament, at its 62nd meeting, assigned Yen 6,270,000 for its construction. When completed, it will also tap the mining and forestry resources of the upper reaches of the Yalu and the Tumen rivers. From Monpansin, it will branch out in two directions, namely, towards Teysiyu and Sento, connecting with the Korean railway system.

Harbin, October 11, 1934.

Sane Views on Censorship by Peiping Journal

The *Ta Kung Pao* (Tientsin) comments:—"A clear distinction should be maintained between malicious criticisms and constructive and well-meaning criticism. A statesman should not only tolerate but welcome constructive and friendly criticism. This should be the attitude of the Government during the present national crisis. Unless the Augean stables of Chinese politics are cleansed, there is no hope of national reconstruction. In other words, if China is to have a good and clean government, the people must be encouraged in every possible way to take an interest in national affairs; and there is no better way to promote this interest than to give them considerable latitude in the expression of their views through the medium of the public press.

"We have more than once lamented the lack of popular interest in national affairs. This is partly the fault of the Chinese people themselves and is partly due to the lack of encouragement from the Government. We can well understand and sympathize with the motive that has led the Government to censor the press, but we extremely doubt the wisdom of some of the methods employed for this purpose. In order to escape the censorship, many Chinese newspapermen and writers have sought refuge in satire and cheap wit. This is a serious portent, for it indicates that the thinking classes have lost interest in public affairs. We hope that the Government will formulate a definite policy in regard to the press, indicating how far it is ready and willing to allow the paper to express their views on current affairs. It is our opinion that, provided vital national interests are not injured, the newspapers should be allowed to comment on public affairs freely, even though their views may not be in accord with the policy of the Government, or should show ignorance of the facts."

China's Industries Face Dark Future

BY PAUL K. WHANG (汪仲芳)

YUNG TSUNG-KING, known to his countrymen as China's Cotton King in pre-depression days, has recently given an interview to a reporter of the *China Times*, local Chinese daily, concerning the dark future of China's cotton industry. In the course of the interview, he has stated, "In order to reorganize my cotton interests, I have offered for sale two of my old factory premises in Shanghai with a hope of removing their machinery and equipment to the new mills which are going to be built up in the cotton-producing districts." But he could not find any prospective buyers among the Chinese public. On the other hand, the Japanese merchants approached him and showed a great interest in his offer.

In making this statement, the speaker has, perhaps unknowingly, disclosed a sad state of affairs which gives no promise for the future of China's industries as a whole. The significance of the facts thus disclosed must weigh heavily on the mind of those who have cherished a long wish to see China become a full-fledged industrialized country, so much so that she can become self-subsistent, without the necessity of importing a very large volume of foreign manufactured products to satisfy the increasing demands of her people.

First of all, it reveals the indifference on the part of the Chinese Government to uphold China's industrial interests. This indifference must be held responsible as the reason why China's industries have remained in their infant stage after decades of promotion on the part of private merchants, and also the reason why these infant industries can not hold their ground in face of foreign competition and, in recent years, of business depression. It seems to be a sad fate to become a Chinese industrialist, because he has to paddle his own canoe with no hope of securing support and encouragement from any quarter, and has to seek his own salvation when his canoe has been caught in a whirlpool during a tempestuous season.

Industrial Progress Lags

In reviewing our industrial history of the past two decades, we must admit that we have not made as much industrial progress as we should in keeping with the industrial development of the world. Our national industries, such as cotton and silk, have showed signs of decay and deterioration. A few cotton mills have passed into foreign hands, when the Chinese cotton merchants could not produce goods to compete with the British and Japanese products. Most of the Chinese silk filatures have been suspended, as the Chinese silkmen could not dispose of their products even at a loss in the foreign silk markets. Thus both cotton and silk industries, the biggest ones in China, are in a state of bankruptcy.

The downfall of cotton and silk industries may be attributed to mismanagement, wasteful process of production, faulty methods of marketing, and lack of initiative and progressiveness on the part of Chinese merchants. But all these causes are nothing compared with the lack of government support and encouragement. Infant industries, just like young plants, must be protected and cultivated before they can blossom and bear fruits. The Chinese Government, instead of following the established policy as practised by foreign governments of protecting their industries, has, on the contrary, set up many barricades to impede the growth of its industries by imposing excessive taxes and surtaxes on the manufactured products.

In this connection it may be of interest to mention that Yung Tsung-king is said to have contributed to the government coffers more than \$4,000,000 every year in the form of taxes and surtaxes on the products of his cotton and flour mills. But in his recent financial distress, he has obtained nothing in return for his past contributions. In the eyes of the government officials, the industries must be looked upon in the same light as the proverbial goose; but they sadly forget that the goose must be properly cared and fed, before it can lay the golden eggs.

Secondly, it discloses the apathy of the Chinese people toward China's industrial bankruptcy. It is indeed paradoxical that at the time when the industrial and commercial establishments have been closed down in wholesale fashion, a large number of banks have been opened up in Shanghai and elsewhere. During the past few months, many new banks have made their bow to the public in succession, and the old banks have rapidly expanded their business by opening up branches in Shanghai and elsewhere. On the surface, this multiplication of banks appears to be a healthy sign, pointing toward the return of prosperity, and the restoration of public confidence in commerce and industry. But by conducting a survey at a close range, we shall find that the underlying causes are far from being healthy and promising, for the men of means have lost confidence in commerce and industry and have turned their attention to banking institutions with a hope of getting rich quick by speculating on government bonds.

As a result of business depression the rich people seem to have become more self-centered. They do not care if China's national industries should go bankrupt, or pass into foreign hands. Neither do they care if millions of their fellow human beings shall be left without employment and means of subsistence. Their self interest has made them unpatriotic and callous. In one sense, they have become less enterprising, but more speculative. Speculation becomes contagious, and affects all the people who have the means to speculate with. While a big volume of business is transacted every day in the government bond market, no new capital can be raised for any industrial enterprises.

This state of affairs has come into being because of the government indifference toward its industries. The fact that the government has failed to support its industries has made the industrial enterprises so insecure that the investing public has become apprehensive over the industrial enterprises. Therefore it is nothing strange that when Mr. Yung offered for sale two factory premises he could not find one prospective buyer among the Chinese merchants. Why should the Chinese public invest their money in industrial enterprises which have to make big contributions to their government, but which receive nothing in return?

Besides, the present baneful influence exercised by the labor unions has also scared away capital. The labor unions, sometimes with official support, have been always ready to exact excessive demands from the owners of industrial establishments, so that labor unrest has become the order of the day. It is really suicidal that in a country where industries are yet in their infancy the leaders of the labor unions and their sympathizers should try to introduce the American and European labor standard to Chinese industrial establishments.

Japan's Aggressive Cotton Industry

And lastly, it speaks of the aggressiveness of the Japanese merchants in their endeavor to create a formidable cotton industry in China. During the past two decades, in spite of the recurrence of the boycott against Japanese goods, the Japanese cotton interests in China have been steadily increasing. The Japanese merchants, backed up by their government, have opened up new cotton mills in Shanghai and elsewhere, and have also taken over the mills which were originally operated with Chinese or British capital. Many Chinese and British cotton mills have already passed into Japanese hands, and many more will likely meet the same fate in future. In a word, the Japanese have been patiently waiting for the opportunity, and will not be satisfied until all the cotton mills in China are brought under the Japanese flag.

At present, China has 92 cotton mills with 1,742,754 spindles, while the Japanese-operated mills are only 41 in number, but they possess 1,803,484 spindles. From the above figures, it can be clearly seen that the Japanese-operated mills are much bigger in size, and therefore, financially, they are in a much stronger position than the small Chinese-owned cotton mills. Operated with a bigger capital, coupled with the support of their government, the Japanese cotton mills can undersell the Chinese products, so much so that out of the ninety-two Chinese owned mills, not more than ten are now in operation. Thus, according to the words of Mr. Yung, it is a foregone conclusion that before long China's cotton industry will suffer extinction, "when the suspended cotton mills can not resume their operations as no more capital can be raised from the Chinese public, while the few surviving mills, in face of severe Japanese competition, will have to admit defeat and give up their battle."

It is tragic that this important Chinese industry should go into Japanese hands. The situation has already come to such a pass that it will be idle to confine our attention to talk of relief measures. In order to avert this sad fate the government should immediately emerge from its indifferent attitude and give material support to cotton and other industries. It is only through the assurance of government assistance that the investing public can restore their confidence in industrial enterprises, and reinvest their money in industries. This government assistance will not only help the Chinese merchants in coping with the present crisis, but will also encourage them to develop China's various industries in future.

Shanghai, Oct. 15, 1934.

Whither Szechuen?

BY C. Y. W. MENG (孟慶瀾)

SZECHUEN is a large inland and populous province. It has more land and more people than any country of western Europe. The Province is the largest of the eighteen provinces in area as well as in population, and is larger than the Japanese Islands. Nearly all of Szechuen is mountainous, the great parallel ranges of the west being very high. In the central part is a fertile plateau, called the Red Basin, or the Chengtu Plain, which is well watered and is said to support the densest population of any similar area in the world.

Szechuen is very rich in mineral wealth. Coal, copper, silver, gold, petroleum, antimony, lead, zinc, sulphur, saltpetre, gypsum, nitrates, jade, mica, and asbestos exist in paying quantities.

Importance of Szechuen in Chinese Politics

Recently, the Province of Szechuen has been specially prominent in the Chinese political situation for two reasons. First, due to the fact that the Szechuen government troops were defeated by the Reds, the communistic situation in Szechuen is generally regarded as being very serious. At one time it was reported that Chengtu, the capital city of Szechuen, was captured by the Reds, though such report was denied by the Nanking officials. General Chiang Kai-shek's hurried air trip to Hankow is also supposed to be in connection with the growing menacing communistic situation in Szechuen.

Secondly, sometime ago, report has it that a Chinese banking corporation (known as Young Brothers' Banking Corporation in Shanghai) had sent its manager to London to negotiate for a huge loan, pledging all the natural resources in the Province as security. Sir Miles Lampson, the then British Minister to China, once also "mysteriously" flew to Szechuen, obviously to make a personal investigation and survey of the situation, and to have personal conferences with the Szechuen authorities. However, before anything could eventuate, the undertaking met a bitter opposition from the Chinese, in China as well as in England, accusing the Szechuen authorities of having "mortgaged" away the national wealth, and charging the manager of the bank with being a "traitor" to the nation, etc. Whether the matter will die a natural death, we do not know at present. But the fact that Szechuen is playing an important part in the Chinese politics, internally as well as externally, and should have our immediate and close attention, goes without saying.

Taxes for "1972" Collected in Advance!

As stated above, Szechuen is the biggest and richest province in China, but the Province is the most misruled province and is in the most chaotic condition, economic as well as political. Let us discuss the taxation in Szechuen first. As far as our information goes, the tax on farm land for "1972" has already been collected by the ruling militarists! The following table will show the taxes collected in advance in the Province of Szechuen:

Under General	Taxes when	Taxes when	Years
	Collected	Due	in Advance
Liu Hsiang	1931	1956	24 years
Yang Sen	1931	1956	24 years
Li Chi-hsiang	1931	1956	24 years
Tang Shi-han	1931	1956	24 years
Liu Wen-hui	1931	1961	29 years
Tan Sing-yao	1931	1965	31 years
Liu Chen-han	1931	1972	38 years

A Huge Standing Army—800,000 Men Under Arms

The Province of Szechuen has also the distinction of being a "hotbed" of civil wars. As the armies in the Province are most unorganized, it is impossible to know the exact number of troops in the province. It is, however, generally believed that the number is not less than 800,000 men under arms. The following is the latest table showing the names of the commanders, and the troops under their command, and also their respective garrison districts, which in turn, indicates and explains the division of the province into different districts under the command of the generals; and also the cause of constant armed conflicts.

The Number of the army and its commander	The Divisions Under his command	Its Commanders	Garrison Districts
21st Route Army Gen. Liu Hsiang	1st Division 2nd " 3rd " 4th " 5th " Model " " " Gendarme " 1st Independent Brigade 2nd Independent Brigade Artillery Division Air Squadron	Tang Shih-chun Wang Chen-shih Wang Ling-chi Van Shao-ting Chert Wen-jen Liu Chung-yuan Pan Wen-chang Chen Lan-ting Hwa Kai Wan Lan-chuan Liu Pin-sen Liu Hsiang	Chengtu & Chung- king East of Yangtze. Wenhshien, Sinkiang. Chungking district. 40 hsien.
20th Route Army Gen. Yang Sen	1st Division 2nd " 3rd " Artillery Division	Yang Han-ching Yang Han-yu Tao Teh-shi Yang Kai-dao	Shunking Shunking, Yinsen.
24th Route Army Gen. Liu Wen-hui	5th Division 6th " 7th " Szechuen-Sihong Defence Division	Li Chiao-tsze Liu Yuan-chang Liu Yuan-kwang Liu Dao-ping	Ya-chow Szechuen-Sihong border.
24th Route Army	1st Division 2nd " 3rd " 4th "	Yu Tsze-lu Lin Shieh-kan Hsia Chung-ing Pan Chen-hiung	(The above 4 Divisions were formerly under the command of Gen. Liu Wen- hui, but now they are opposing Gen. Liu.)
28th Route Army Gen. Tang Shih-han	2nd Division 3rd " 1st Division of Szechuen-Shansi- Kansu Defence Force 2nd Border De- fence Division Model Division	Ma Teh-chi Chen Ting-sen Mao Ing Yang Yi-sen Chen King-sen	Chengtu North of Chengtu
29th Route Army Gen. Tan Shao-yao	Altogether ten Divisions		Chengtu & North of Szechuen.
23rd Route Army Gen. Liu Chung-han	6th Division 1st "	Li Chi-sing Liu Pan-chung	Sui-ting & Yi- Han & 6 other hsien. Same.
Border Defence Force Gen. Li Kai-yu	6th Division 23rd " (This Force was formerly under the com- mand of Gen. Tang Shih-han, but now is more or less independent from Gen. Tang.)	Li Kai-yu Lo Leh-lan	Shunking

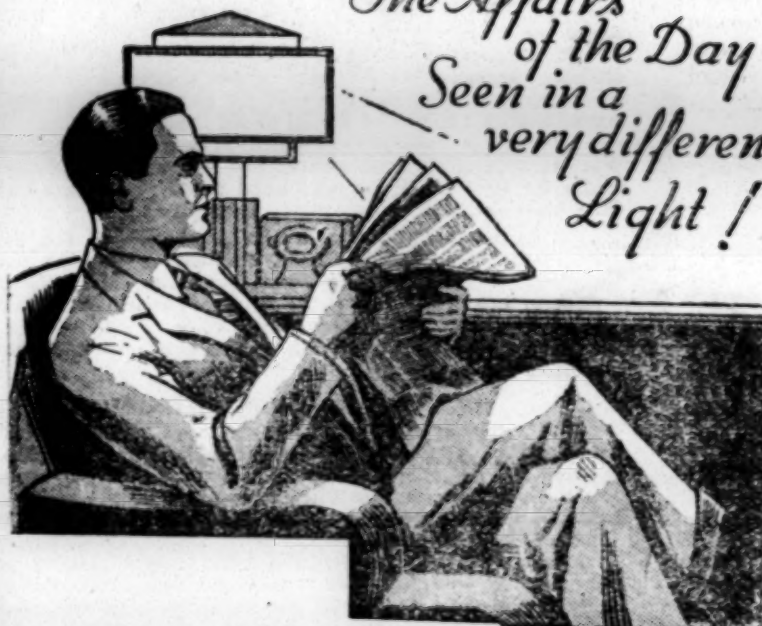
(Under each commander of each Route Army, we mention only some of the important divisions or brigades.)

The Communist Invasion of Szechuen

The story of the communist advance into Szechuen is both interesting and alarming. Two years ago, being hard pressed by General Yang Fu-chen of Kansu, the communist forces under the command of Hsu Hsiang, being defeated, rushed to the Szechuen border, the total number of the communists being estimated at more than 3,000 men. Not long after, the communists started their offensive against the Szechuen troops under the command of Gen. Tan Shao-yao and actually captured Tung-kiang, Lan-kiang, Pan-chung, thereupon a "Soviet Government" was being established. Though Gen. Tan did recover some of the "lost hsien" from the communists, he was once again disastrously defeated by the communists. More than 10,000 rifles were captured by the

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communists. In less than one year the communist forces were increased by ten fold. Some time in September, 1933, the communists opened an offensive on Gen. Yang Sen's troops. Yinsen, Chun-hsien, etc., were also lost to the communists. The communist attack on General Liu Chen-han proved also successful in capturing Sui-ting, Chung-han, etc. The defeats of the provincial troops under the command of Generals Tang Shao-han, Yang Sen and Liu Hsiang had given a great encouragement to the communists; had supplied them with plenty of munitions, and lastly, had greatly increased their forces. The arsenal in Sui-ting, which was captured by the communists, would bring much material assistance to the communists in furthering their advance in Szechuen! Since then the communists decided to open further offensives to attack Wen-hsien, with possibly Chungking as their objective.

Nanking Alarmed: General Chiang's Air Trip to Szechuen Suggested

Being a mountainous province—far more mountainous than the province of Kiangsi—Nanking should realize at once that the communists, who are now making rapid advancement into Szechuen, should be stopped at once. Once the communists settle down and establish themselves in the Province, it will prove a very hard task for Nanking to exterminate them—a far more difficult task than the suppression of the communist trouble in Kiangsi!

Nanking should also realize that when a Chinese province is most "misruled" by the militarists and when the sufferings of the people once become unbearable, it is the place where the foreign aggressors and foreign exploiters are most active and will do all they can to control that province, politically and economically. The loss of Manchuria to Japan, which is partly due to the mis-rule under "Old and Young Chang" (Marshal Chang Tso-ling and Marshal Chang Hsueh-liang), and lastly due to inattention on the part of Nanking Government to the Manchurian situation should give us sufficient notice that Nanking should not under-estimate the present Szechuen situation; and should not let the mis-rule to go on in Szechuen; and should not let Szechuen ultimately fall into the hands of foreign exploiters!

In order to save the situation before it becomes too late we suggest that General Chiang should take an air trip to Szechuen, to call a conference of the Szechuen generals, not only so as to exterminate troubles once for all, but also to take steps to stabilize conditions in the province, thus freeing 69,000,000 (the population of Szechuen) people from their sufferings. It is a stone which would hit two birds at the same time!

Nanking, Oct. 14, 1934.

Shanghai Builds While Rest of World Lags

According to the records of the Public Works Departments of the Shanghai Municipal Council and the Municipal Council of the French Concession, approximately \$467,000,000 has been invested in private building construction in the two foreign-controlled areas of Shanghai during the past 10 years, and the flow of capital into this channel is continuing as strongly as ever.

During 1932, when Japan scared off investors by warring against the Chinese in Chapei with destructive effect, investments in building fell to less than half of the 1931 figure, which in turn was lower than that for 1930. But recovery was evident.

Visitors to Shanghai frequently express amazement at the extent of the building operations here. People from New York, where building has been practically at a standstill ever since the onset of the depression in early 1929, are especially given to comment on the extensive building operations going on in Shanghai, and which show no signs of abating.

Economic experts declare that Shanghai's development is being secured at the expense of the rest of the country and that the building boom in this city is largely artificial. Attention is drawn to the phenomenal flow of money capital into Shanghai consequent upon the continuing ruin of China's rural economy, itself largely the product of the exactions of militarists and tax-collectors. Much of this money capital, withdrawn from the countryside, where an impoverished peasantry is no longer capable of making its investment profitable, is going into building construction in Shanghai.

Typhoon Changes Japan's Political Currents

MARK J. GINSBOURG*

LAST month's devastating typhoon has completely upset Japan's political apperception. Many carefully nurtured schemes had to be abandoned, while political currents were forced into new channels furrowed by the storm.

The most important of these forced changes has been the decision of Admiral Keisuke Okada's Cabinet to call an extraordinary session of the Diet. Such a step has been persistently advocated by the Seyukai party ever since last July, when the agricultural crisis had made itself known, but these demands were just as persistently ignored by the Government.

Japan's rice and cocoon growers have been struck this year by a series of natural disasters. Continuous rains in a major part of the country spoiled the "doyo" season, the most important period in the growth of rice plants. In other areas there was a severe drought, making it impossible to transplant rice shoots. Still other districts suffered from floods or cool weather. The typhoon made the distressing situation desperate. These calamities reduced the rice crop to 75 per cent of last year's harvest. The price of rice, consequently, soared from approximately Y.27 per "koku" (4.96 bushels) to Y.29 and Y.30, in some instances even exceeding the Government's "maximum" of Y.30.50, which automatically brings the Government stocks into the market in an effort to lower the prices.

The farmers who, early this year, expecting another bumper crop, took advantage of the rice law and sold 50,000,000 bushels of rice to the Government at Y.23.30, find now that they are unable to buy back that rice for their own consumption. Newspapers significantly recall that the crop this year is the lowest since 1913, while the prices are the highest since the famous rice riots of 1918. Naturally, the agricultural demand for immediate relief has been very strong, and there has been a regular pilgrimage of prefectural governors to Tokyo with pleas for the convocation of a special session to consider farm relief.

Sericulture Industry Suffers from Over-Production

The sericultural industry, on the other hand, has been suffering from overproduction. Increased supply, decreased American demand, lack of cooperation and effective control brought the industry to the brink of chaos. Where in 1925 the cocoon growers earned Y.850,000,000 this year their income will barely reach Y.200,000,000. Official figures place the decrease in growers' income since last year at Y.300,000,000. Nagano Prefecture, in central Japan, one of the centres of silk industry, petitioned the Government for a three-year moratorium on debts to state banks, saying that the present price of silk cocoons is so low that it can scarcely pay the interest on the Yen 400,000,000 debt of the prefecture.

The Government, struggling with increased departmental demands, especially from the Army and Navy, was reluctant to burden this year's budget with the immense cost of relief. Farm aid plans hastily patched up by the Ministry of Agriculture and a few other agencies, provided for the disbursement of ridiculously small amounts. Thus, the two million cocoon growers were to be helped out of the crisis with Yen 3,000,000 and a loan fund of Yen 30,000,000.

Thus, despite all this distress the Cabinet paid no need to the Seyukai demands for an extraordinary session of the Diet to consider farm relief. The Seyukai, incidentally, is not exactly an opposition party. It follows the policy of "I'm not for, I'm not against," but three of its leaders who joined Admiral Okada's Cabinet were committed to a solemn auto-da-fe by the party. Premier Okada feared that the Seyukai, having a majority in the lower House, would utilize the special session to attack the policies of the Government, especially on the questions of agricultural relief, the reform of Japanese administrative organs in Manchuria and the naval disarmament conference.

So long as typhoons stayed away from Japan's doors, the Cabinet was able to ignore the demands for the special session. With the terrific damages inflicted upon the agriculture, commerce and industry by the storm, the pressure upon the Cabinet became irresistible. Seyukai's solo became a chorus, with the participation of the Minseito, minority party, the Osaka industrialists, the Army, the merchants and the farmers.

The Minseito, which up to now was half-heartedly supporting the Government, decided to preserve its political fences by joining the current. Baron Wakatsuki, leader of the Minseito, in a speech largely ignored by the foreign press, told a party gathering

recently that the extra session squabble between the Government and the Seyukai supplied the Minseito with a fair chance of "crashing the gate." And with the twofold purpose of enabling the Government and the Seyukai to cut each other's throat, and letting the people know that the Minseito is a "watchdog of people's interests," it has joined the demand for the special session.

The Army, at present the most potent factor in Japan's politics, joined the affray for similar reasons. The bulk of the military force is recruited from among the peasants. The farmers' sufferings are immediately felt in the ranks. The recent pamphlet on "national defense" was no idle gesture on the part of the War Ministry. It was a genuine attempt to help the farmers, a bid for their support. The Army is obsessed with the "national crisis" of 1935, and it knows that it will need favorable public opinion to push through its demands for increased appropriations. This is possible only if the industry, commerce and agriculture are enjoying prosperity.

Another reason for the Army's sudden demand for an extraordinary session to consider relief measures, is the realization that the general public begins to connect the growing military expenditures and the continued refusal to aid the farmers. Some time ago a delegation of silk growers called on General Senjuro Hayashi, War Minister, and pleaded with him to release a part of military credits for agricultural and sericultural relief. The *Jiji*, a leading daily, then said:

"As the War Minister suspects, a section of the public thinks that there must be some connection between the mounting expenditure of the army and the inability of the Government to attend to relief for the farming population. It would be unfortunate should the masses come to suspect that the needs of national defense stand in the way of materialization of farm relief plans. . . ."

The Army's Interest in the People

The pamphlet was an attempt to make the general public realize that the Army is interested in the welfare of the people, and also that the military expenditures are absolutely necessary to defend the nation "against foreign encroachment,"—this budget season by the United States and Soviet Russia.

Some Japanese politicians and journalists expressed themselves as being surprised by the "unparalleled intrusion" of the Army into economic matters. Such surprise, however, must not have been very genuine, for the Army publishes pamphlets of this sort every month. In Japan's peculiar political conditions, the Army cannot fail to take increased interest in economic matters, and the demand for the special session is merely a manifestation of this interest.

Kwansai district, which includes Osaka, is the heart of Japan's industry, much of it catering to military needs. Of 60,000 factories in the district, 22,000 have been either totally destroyed or partially disabled by the typhoon, according to Mr. Chuji Machida, Minister of Commerce and Industry. This has been a severe blow to Japan's industrial backbone and the manufacturers, especially small, have not been slow in demanding immediate assistance from the Government. Such assistance the Government could not decline without impairing Japan's military industrial preparedness. Osaka manufacturers estimated that the rehabilitation of the heavy industries alone would require at least Yen 100,000,000, a bulk of which they expect to obtain outright or as a loan from the Government.

The hundreds of thousands of petty merchants, artisans and peasants joined the relief chorus because their damages have been even more severe than those of the industry, largely because their recuperative power was negligible.

The Government's capacity for relief was limited to Y.4,000,000 still remaining in the emergency relief fund. Surveys by several Cabinet ministers convinced them that the needed relief somewhat exceeded this figure. The only way to obtain new appropriations was to have them approved by an extraordinary session of the Diet. Thus, the Government was forced to call the extra session, making the Seyukai political dreams come true.

A merry squabble faces the session, when it meets sometime in November. The Government has set its heart on limiting the discussion to the question of immediate relief, allowing Y.100,000,000 for that purpose. The Cabinet is maneuvering to limit the session to ten days, as a device to curtail parliamentary debate.

The opposition, headed by the Seyukai, demands Y.300,000,000 for immediate relief and the formulation of a long range program of agricultural and sericultural relief. It refuses to be baited by the Government's promise of such a plan for the next year. It also demands a full discussion on other important issues, such as the reorganization of the Japanese administration in Manchuria, the disarmament conference, the relations with Manchuria and China, the recent Army's pamphlet, etc.

The pressure upon the Government for new expenditures may place it into a very uncomfortable position. The Seyukai will probably spare no effort to make it untenable. In that case the Government may decide to adopt heroic measures to cut the political Gordian knot. One of such measures, as predicted by Minseito's Mr. Wakatsuki, would be the dissolution of the Diet, and a dictatorial regime.

*Mr. Ginsbourg was born in China, educated in the United States, Pomona College, Columbia School of Journalism.—First alternate for Pulitzer Travelling Scholarship, 1934. Free lanced for the *Baltimore Sun*, *Christian Science Monitor*, etc. Now in charge of English service, Rengo.

PEIPING-LIAONING RAILWAY

ABRIDGED TIME TABLE

1st July, 1934 and until further notice.

DOWN TRAINS								UP TRAINS															
41	301	1	305	23	5	21	3*	MAIN LINE				302	22*	42	4	24	2	306	6				
Slow	Ex.	Ex.	Ex.	Fast	Ex.	Ex.	Ex.	STATIONS				Ex.	Fast	Slow	Ex.	Fast	Ex.	Ex.	Ex.				
D	S D	S D	S D	D	D	S D	S D					S D	D	D	S D	D	S D	S D	S D				
1 2 3	1 2 3	1 2 3	1 2 3	1 2 3	1 2 3	1 2 3	1 2 3					1 2 3	1 2 3	1 2 3	1 2 3	1 2 3	1 2 3	1 2 3	1 2 3				
5.45	15.05	8.45	18.50	13.15	16.30	20.15	10.55	dep.	Peiping	- - -	↑	arr.	10.24	11.29	17.55	18.42	23.17	9.18	8.19	11.50			
6.20	15.36	9.13	19.20	13.46	—	20.48	11.24	"	Fengtai	- - -		dep.	9.54	10.55	17.21	18.15	22.48	8.47	7.49	—			
7.45	16.40	10.21	20.26	15.01	—	22.08	—	"	Langfang	- - -		"	8.50	9.26	15.43	—	21.34	7.45	6.43	—			
9.16	17.50	11.28	21.39	16.30	19.07	23.38	13.32	"	Tientsin Central	- - -		"	7.40	8.03	14.14	16.05	20.11	6.39	5.30	9.15			
9.25	17.59	11.36	21.48	16.39	19.15	23.47	13.40	arr.	Tientsin East	- - -		dep.	7.30	7.50	14.00	15.55	20.00	6.30	5.20	9.05			
9.35	18.20	11.50	22.20	16.55	—	24.00	13.50	dep.	"	- - -		arr.	7.05	7.36	13.46	15.40	19.50	6.15	4.50	—			
10.38	—	12.47	—	18.03	Stop	1.10	14.47	"	Tang-ku	- - -		dep.	6.31	12.46	14.45	18.51	5.11	—	—	—			
11.46	—	13.45	—	19.08	—	2.18	15.40	"	Lu-tai	- - -		"	5.25	11.41	13.48	17.43	4.08	—	—	—			
12.52	FOR SHANGHAI	14.42	FOR PUKOW	20.11	—	3.32	16.39	"	Tang-shan	- - -		"	4.15	10.30	12.50	16.37	2.58	—	—	—			
13.39	—	15.17	—	20.47	—	4.20	17.14	"	Ku-yeh	- - -		"	3.30	9.44	12.18	16.05	2.16	—	—	—			
14.29	—	15.49	—	21.21	—	5.12	17.46	"	Lanhsien	- - -		"	2.32	8.45	11.39	15.22	1.18	—	—	—			
15.32	—	16.31	—	22.11	—	6.18	18.28	"	Chang-li	- - -		"	1.29	7.40	10.58	14.37	0.19	—	—	—			
16.16	—	17.04	—	22.46	—	7.07	19.01	"	Pei-tai-ho	- - -		"	0.39	6.54	10.27	14.09	23.31	—	—	—			
16.43	—	17.23	—	23.08	—	7.33	19.20	"	Chin-wang-tao	- - -		"	0.01	6.25	10.04	13.35	22.59	—	—	—			
17.05	—	17.40	—	23.26	—	7.55	19.37	arr.	Shan-hai-kwan	- - -		"	23.30	6.00	9.45	13.15	22.30	—	—	—			
—	—	18.40	—	—	—	—	—	dep.	"	- - -		arr.	—	—	—	—	21.26	—	—	—			
—	—	16.25	—	—	—	—	—	arr.	Shenyang	- - -		dep.	—	—	—	—	10.15	—	—	—			
—	—	—	—	—	—	—	—	↓	(Mukden)	- - -		—	—	—	—	—	—	—	—	—			

S. D.—Sleeping and Dining Cars. D. Dining Car.

Refund of Fares:— Passengers must get Station Master to endorse ticket in connection with which they intend to claim refund.

No. 3 and 22* Temporary suspended.

Tientsin, 1st July, 1934.

BY ORDER.

Some Remarks on the New Life Movement---from Seattle

BY MADELEINE RICHARD SEDGWICK

CONCERNING The New Life Movement, which seems to draw no favorable comments from *The Review*, I must vigorously object to the interpretation that such movement is essentially reactionary, undemocratic and "inspired by Japan."

That certain groups in some provinces are making use of it to return to old-fashioned Confucianism is not to be gainsaid, but then it is their own fault if they cannot grasp in all their broadness the original views of the man who sponsored the movement. Being myself in possession of a reprint of the pamphlet entitled "Outline of the New Life Movement," I see in such attempt, not only a corrective for China's "pathological manifestations," to use General Chiang's own words,—a movement for cleaning China inside out,—but also 'a way to teach the Chinese how to discipline' themselves (therefore the Compass as a symbol), in order to prepare to accept, in the event of a foreign war, the military discipline that any democracy must face, or perish. The last lines of General Chiang in the pamphlet are an appeal to the purest patriotism, and show clearly a conception of the armed citizenry, conscious of the rights of a nation whose traditions it will defend! Sparta, Rome, did not conceive patriotism otherwise, and to-day they are still shining examples in history. Fascism? Nazism? Maybe! But this is certainly not the attitude of weaklings who will accept foreign dictation forever!

Because Japanese commentators like Eiji Amau have seen in the movement a reaction against Westernism, this does not imply that China will turn the clock back on all that is modern. Take hygiene for instance. From the article by *Chin Fen* on the work of the N. E. C. in *Chinese Affairs*, you can see that the New Life Movement in Nanchang is cooperating with the most advanced forms of medical science.

Now about the "Purity drive," I must again take issue with Paul Whang when he seems to infer that the Movement aims at suppressing the equality of sexes, because it advocates decent clothing for women! This is frankly taking a wrong view of the problem and confusing with true liberty the excesses of the "Mo-ting" who are grotesquely aping the worst that the West has to offer, immodest show of bodies, immoral dancing, cocktail drinking, necking parties and the like!

My dear friends, if you happen to come over here at this time, you will witness on this continent the "midvictorianization"

of women's dresses, long skirts, high necks, A.S.O. We likewise are in the midst of a purity drive concerning the "sexy" movies! I even make bold to say that the queer dress of the Shanghai flapper, split on the side so as to show the leg up to the hip, would be condemned in all decent company in America and not tolerated on the streets. It reminds one of the style of the so-called French "merveilleuses" of the time of Empress Josephine, a lady who never acquired a strong reputation for virtue, even in liberal France.

If liberalism means loose morals and a taste for depravation, flouting family discipline, puffing cigarette smoke in the face of your elders, then for God's sake! let us have none of it, neither in China nor in America!

The idea of the Cantonese authorities who condemn mixed bathing may be too narrow-minded. As for Nanchang, where the New Life Movement was born, we see that Miss Yang Hsiuchung, China's champion girl-swimmer, received a rousing welcome at her exhibition in the new swimming-pool of the New Life Association. Yet she represents the most modern type of girl that New China can offer—modern, but wholesome.

This is to show you that criticism can often be unfair as well as inconsistent. In conclusion, I will say that Chinese people must congratulate themselves on having leaders who see no possible salvation coming from the West, if the foreign Concessions obtained at the cost of China's national sovereignty shall be turned into dumping-grounds for Western perversities and cosmetics, adding to the diseases of suffering China instead of curing them! Salvation comes from within.

Seattle, Sept. 15, 1934.

Shanghai Branch of "Bibliothèque Sino-Internationale De Geneve" Is Opened

An international library exhibition is being held by the Shanghai branch of the "Bibliothèque Sino-Internationale de Geneve," situated at 393 Route Ferguson, near Avenue Joffre. More than a hundred great libraries in all parts of the world are represented. The opening took place Oct. 10, when introductory remarks were made by C. H. Woo (Wu Che Hui), who has been called one of the four great thinkers of China during the past three hundred years, and by Mrs. T. Y. Feng-Chen, librarian of the "Bibliothèque Sino-Internationale" at Shanghai and formerly chief librarian at the "Universite Franco-Chinoise" at Peiping. The exhibition is open to the public daily from 9: a.m. to 5: p.m.

The Railway Through Traffic Conference

BY WILLIAM Y. Y. LEE

THE Seventeenth Domestic Through Traffic Conference under the auspices of the Ministry of Railways met in the Kiao Tsi Railway Administration, Tsingtao, from Sept. 20 to Oct. 2. The delegates present in the Conference numbered 89, representing the Ministry of Railways and the National Railways in all and the China Navigation Co. Out of the 247 proposals submitted to the Conference for discussion and decision, 161 resolutions were carried. The atmosphere was very business-like, and the spirit quite praise-worthy.

In the opening session Koo Meng Yu (顧孟餘), Minister of Railways, represented by Hsia Kuang Yu (夏光宇), Counsellor of the Ministry of Railways, made a speech, calling the attention of the Conference to the following points:

(1) The scope of railway through traffic must be extended to waterways and highways in full capacity, in order to offer more adequate transportation to the public.

(2) The make-up as well as the equipments of goods wagons of the different railways must be unified with a view to enable one railway's wagons to pass over another railway without any difficulty or inconvenience that sometimes handicaps our car movement at present.

(3) The rules and regulations of through traffic, made when the said service was first offered, should be carefully revised, making proper corrections and amendments wherever it is necessary.

(4) With regard to compensation to shippers for loss or damage of goods carried at railway's risk, the railway or railways who should be responsible for the compensation should not try to evade or shift the responsibility to other railways.

(5) The railway staff in charge of through traffic must pay the closest attention to the rules and regulations, and must do their utmost in executing them.

(6) The equipments of the joint stations should be improved in order to facilitate the transfer of wagons from one railway to another.

(7) More trapaulins should be supplied for use on open cars, and more warehouses should be built at large stations.

To conclude his speech, the Minister hoped that the most important business policy of the railways should be such as to develop the through traffic, making adequate connections with waterways as well as highways. Besides, he observed that in relation to passenger and parcel traffic, full consideration must be given for improvement, aiming at offering to the travelling public as much comfort and convenience as possible.

The Chairman's Report

Yu Yen (俞棧), Director of the Department of Traffic and Operation, concurrently Director of the Through Traffic Administration, of the Ministry of Railways, presided in all the sessions of the Conference.

The report he delivered in the opening session of the Conference consists of the main achievements in the field of through traffic during the previous year.

(a) Passenger Through Traffic:

- (1) Operation through express trains between Shanghai and Peiping.
- (2) Improving the operation and equipments of the through express between Peiping and Pukow.
- (3) Extending domestic passenger through traffic to the Hunan-Hupih and the Chiehkiang-Kiangsi Railways.
- (4) Bettering the parcel and baggage service.
- (5) Opening more stations for passenger through traffic along the Tsingpu, Kiaotsi, Chengtai, Shanghai-Hongchow, Lunghai and Taoching Lines.
- (6) Issuing return tourist tickets at stations near interesting places either famous in history or fine in scenery.
- (7) Increasing the speed of through express trains.
- (8) Carrying through passenger traffic between railways and waterways, as well as railways and highways.

(b) Goods Through Traffic:

- (1) Carrying goods through traffic at railway's risk by all the national railways.
- (2) Operating through goods trains over more than one railway, and local through goods trains within a certain district.
- (3) Applying a sort of "tapering tariff" for through goods traffic on the purpose to encourage goods transportation over greater distance.

- (4) Carrying through goods traffic at carriers' risk between railways and waterways.

(c) Business Records:

Comments by the Chairman

During last year, the monthly revenue from passenger through traffic was around \$500,000 Mex. in the best month; while the same revenue of May, this year, was more than \$700,000 Mex. During the period from May to September, last year the average monthly revenue from through goods traffic was no more than \$100,000 Mex. while the same revenue of May (not the best month usually), this year, reached \$1,200,000 Mex. Therefore the sum of both kinds of revenues of the present year has broken the past records. As to the volume of traffic handled it also increased by leaps and bounds. When the goods through traffic was first carried last November, the number of invoices issued in the month was a little more than 4,500. Now the invoices issued in May, this year increased to 18,000, four times more than before.

After the report, the Chairman remarked, "Such as it is, we should no means be satisfied with the present status. What we have achieved this year, though unequalled by the previous years, is but the very beginning of future greater achievements which would fail to be realized, unless we keep on working hard and do our very best. Moreover, the aim of through traffic lies less in making more money for the railways only than in fostering the agricultural, manufactural and commercial development of the nation as a whole. With so large a territory and so many rich resources China needs very badly the convenience of transportation. So it is my hope that every one of us must shoulder up the responsibility to enable China to compete economically with the Powers."

Important Resolutions Passed

Among the resolutions passed are the following:—

(1) The national railways are prepared to carry through traffic with airplanes; actual measures will be taken, whenever it is deemed necessary.

(2) The 3rd-class cars of the express trains shall be equipped with sleeping berth.

(3) A through passenger transportation will take place between Tsingtao and Peiping twice a week (to and fro), commencing from the 1st of April to the 30th of September every year, to give convenience to the summer visitors of Tsingtao from Peiping and Tientsin. The Kiao Tsi Railway will supply one 1st & 2nd class car to be attached on the morning trains between Tsingtao and Tsinan specially for these passengers. The car will run to or from the Tientsin-Pukow Line and attached to or detached from the Shanghai-Peiping through express, as soon as it arrives at Tsinan, so that the passengers will not be obliged to break their journey there.

(4) A special committee will be organized by the railways to study the tariff problems concerning the special products (special in quality or quantity) of different places of China, with a view to bring together more readily the supply and the demands of materials as well as manufactures of far off places by a reasonable transportation rate.

(5) Since the volume of through traffic is swelling day by day, and the management is becoming more and more complicated accordingly; the railways will have to establish a special office in charge of the said management.

(6) As soon as the financial condition permits, the railways are going to carry out more over-sea advertising, for the purpose of inducing foreign tourists to travel in China.

Besides, there are still many more decisions just as important, which, if mentioned in all, would require a pamphlet. The above mentioned are only a few of those that are, in the writer's opinion, most interesting to the general public.

Tsingtao, October 13, 1934.

Judge Helmick Tightens United States Court Procedure

When the question of re-trial was brought before Judge Milton J. Helmick, in the U.S. Court for China October 15 in connection with a recent case involving H. Honigsberg and his son, Judge Helmick apprised the attorneys that while motions for new trials would be carefully read and looked into, they would ordinarily be over-ruled. If, however, he added, the Court in reading them over, discovers anything new in the case, the motion will be granted. This practice, he stated, would generally prevail in the U.S. Court.

S. M. R. Prepares to "Swallow" C. E. R.

Preparations are in progress for the re-organization of the South Manchuria Railway Co. into a joint Manchukuo-Japanese concern. According to plans now being drafted, the projected concern will be capitalized at Yen 1,000,000,000, of which Yen 400,000,000 will be funded by the South Manchuria Railway Co., Yen 400,000,000 by Japan, and Yen 200,000,000 by Manchukuo. All the railways now managed or controlled by the S.M.R. and the Chinese Eastern Railway will be included in the new enterprise.

The Soviet-Manchukuo agreement on the transfer of the North Manchuria Railway (C.E.R.) to Manchukuo is expected to be signed by November 10. M. Constantin Yureneff, Soviet Ambassador to Japan, is now awaiting final instructions from Moscow on the question of Japan's guarantee of Manchukuo's payments. The proposed plan is to let a Japanese banking syndicate to underwrite Manchukuo North Manchuria Railway bonds.

A Harbin message Oct. 11 stated that somebody must pay a Yen 300,000 meal chit before dining cars will operate again on the Chinese Eastern Railway. The Wagon Lits Co. on that date occupied the C.E.R.'s seven dining cars and refused to permit their operation on account of inability to collect the money. The move was interpreted as one to protect the claims of the company prior to the actual transfer of the railway to Manchukuo, because the Soviet Union is responsible for all debts contracted before the sale is consummated. This action may somewhat delay the final negotiations between Manchukuo and the Soviet Union.

Soviet Employees to Leave Within Five Months

The disputed questions of the retirement of Soviet employees of the C.E.R. and through traffic on the C.E.R. and Soviet railways, were settled in Tokyo, Oct. 15 at a conference between Mr. Yureneff, and Mr. Hirota. It was agreed that the Soviet employees will leave their jobs within five months, with a three months' notice and an obligation to return to Soviet Russia within two months after their dismissal.

Through Traffic Is Provided For

It was also agreed at the Yureneff-Hirota Conference to permit through service on the Chinese Eastern Railway, the Trans-Siberian and the Ussuri railways.

United States Is Prepared to Answer Japan on Naval Equality Demand

The *United Press* says the United States delegation to the preliminary naval disarmament negotiations in London, is fully prepared with its answer to any proposal the Japanese delegates may make for abolition of the existing naval ratios. To any formal proposal to abolish the present ratios, the United States delegates may be expected immediately to reply with the suggestion that Article 19 of the Washington naval treaty be eliminated or at least drastically revised. This article is the one which restricts the fortification of possessions in the Pacific Ocean. Elimination of Article 19 would re-open the possibility of strengthening existing American naval and air bases in the Philippine Islands and Hawaii. Of at least equal importance would be the freedom given to the United States to establish extensive new bases at other points, as in the Aleutian Islands, only a step from the Japanese mainland. A large air base might be established at Guam, a development on which it is hardly to be expected that Japanese military circles would look with favor.

Japan may be willing to consider abolition of submarines, though they are regarded as invaluable adjuncts to national defense, if the United States agrees to abolition of capital ships and aircraft carriers, according to the *Asahi*, but the known liking of American naval leaders for capital ships makes such agreement extremely unlikely, as this Tokyo paper rightly conjectures. Submarines will not be abandoned in exchange for abolition of aircraft carriers alone.

The new plan for naval disarmament which Japan will present at the preliminary conversations in London calls for abolition of offensive weapons, and it is understood that by such weapons Japan means specially capital ships and aircraft carriers. According to a report from Washington, the American delegation may counter the Japanese demand with a demand for abolition of submarines, which would be agreeable to Great Britain, but it is determined not to give up battleships, which are regarded as especially valuable because of their long cruising range.

Conversations between Admiral Yamamoto, the Japanese delegate who arrived in London Oct. 16, and Japan's Ambassador Tsuneko Matsudaira lasted through a good part of this week. Negotiations will begin first with Japan's representative, as both British and American delegates expect concrete proposals from the Japanese, which would naturally render useless any preparatory conversations between Norman Davis, the United States ambassador at large, and the officials of the British Admiralty. Pending the proposals to be made by the Japanese, of which the scope is still unknown in London, British delegates will probably abstain from guiding the negotiations into any particular path and will define their attitude only after hearing Tokyo's suggestions.

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Japanese Militarists Once More Triumphant in Manchuria Reorganization Squabble

Tokyo, Oct. 17.—A definite decision that the officer commanding the Japanese gendarmerie in "Manchukuo" should concurrently be in command of the Japanese police, was reached by the Cabinet this afternoon following an extraordinary session which lasted for three hours. The decision was based on the ground that unification of command in "Manchukuo" was "necessary."

A POLITICAL crisis of the first magnitude developed in Japan as a result of serious disagreement over the Manchurian reorganization scheme.

Overseas Ministry Asks Reconsideration of Manchukuo Reorganization Plan

The Overseas Ministry has begun a direct campaign to bring about vital changes in the Government's formula for reform of Japanese administrative organs in Manchuria. Using as their strongest argument the unrest among Kwantung police officials and expressing fear that even bloodshed might result if civil police are superseded by the gendarmerie, four representatives of the Overseas Ministry called on the Premier and the War Ministry and formally requested reconsideration of the plan. Under the reorganization formula, the jurisdiction of the Overseas Ministry would be drastically limited.

The officials of the Kwantung Government are carrying on their agitation against the reform plan of the Japanese administrative machinery with undiminished vigor. The Government and the leaders of the Department of Overseas Affairs have been endeavoring to placate the disgruntled elements, but so far their efforts have brought little results.

As already reported, the officials of the Kwantung Government—the police especially—are implacably opposed to the new arrangement that the Directorship of the Police Department should be assigned to the Commandant of the Gendarmerie in Kwantung province. As there is no indication of the Government going back on this arrangement out of deference to their opposition, the resentment among the agitators is growing. They have sent their delegates to Tokyo, but finding their representations held in scant regard by the Government, and also that the Department of Overseas Affairs is not championing their cause with sufficient zeal, they are turning their attention to the members of both Houses. Laying their complaints before the Legislators, they are supplying them with various data proving the inadvisability of the projected predominance of the military in the administration of Kwantung province.

There are many in both Houses who have been regarding with disfavor the Government's undue regard for the voice of the military in the matter, and it is considered likely that in the forthcoming extraordinary session of the Diet, these members will tackle the Government vigorously, unless the present controversy is amicably settled before the session meets.

The Prime Minister, Admiral Keisuke Okada, has temporarily prevailed on Mr. Tsubokami, the Vice-Minister of Overseas Affairs, to abandon his intention of publishing a vigorous counterblast to the War Office's dementi broadcast at midnight on October 13 in favor of a memorial to the Cabinet. It is feared, however, that this weakness will intensify the opposition of Kwantung officialdom. On the other hand, Army circles express the opinion that the issuance of a counterblast would have been suicidal as far as the Cabinet was concerned, as the Army could not have ignored the action. The Army asserts that if the Premier is firm, the agitation in Kwantung will die down.

Meanwhile, the situation continued strained, as General Hayashi, War Minister, remained adamant in his demand that the Premier adhere to the Cabinet's decision to take steps to enforce discipline among Kwantung civil officials.

General Hishigari Resigns Post

General Taka Hishigari, concurrently Japanese Ambassador to Manchukuo, Commander of the Kwantung Army and Governor of the Kwantung leased territory, resigned October 11. General Hayashi recommended General Jiro Minami, ex-Minister of War, to replace General Hishigari. The latter will be made a member of the War Council.

80 Russian Soldiers Discovered Hiding in Wood 200 Miles Inside Manchukuo

A Harbin dispatch to the *Asahi* says that the Japanese and Manchukuo military authorities are alarmed by the discovery of a group of Red troops in a wooded district near Hingan on the western section of the Chinese Eastern Railway. It appears that these Red troops managed to cross the border into Manchukuo territory early in September and penetrated to a distance of 200 miles. There have been many minor cases of invasion into Manchukuo territory in the past, but it is quite unprecedented, says the message, that a big body of regular Red troops should penetrate to such a distance. The body consists of 81 soldiers of the Ogpu, with eleven Manchukuoan guides, who also belong to the Ogpu. They are armed with two machine guns.

Big Increase in S.M.R. Revenue

The railway department of the South Manchuria Railway Co., which also operates numerous industrial enterprises, showed an enormous increase in railway revenue for the half year ended September 30. Railway receipts totalled Yen 60,784,658 for the period under review, representing an increase of Yen 1,915,489 as compared with the total income for the corresponding period last year. With the Manchurian produce season approaching, it is estimated that the total receipts from the railways will be more than Y.120,000,000 before the next half-year period is over. The railway department announces that it has so far not been asked, either officially or unofficially, to take over the operation of the Chinese Eastern Railway when the sale of the line has been consummated. The department, however, has been holding meetings of experts "to be prepared in case we are asked" to take over the management of the C.E.R.

Ben Dorfman, Lytton Commission Expert, Writes on the Manchukuo Regime

THE Sept. 12 issue of *Foreign Policy Reports* is devoted entirely to the subject, "Two Years of the Manchukuo Regime," contributed by Ben Dorfman. Mr. Dorfman served as an economic expert on the Lytton Commission and is the author of several monographs appearing in the supplement to the Lytton Report.

Mr. Dorfman, after a detailed report of the situation, came to the following conclusion:

"Japan has seized and now dominates a large section of territory which the world—inclusive of Japan—formerly recognized as an integral part of China. No effective measures were taken by China or any other power to check Japan's actions. Japan then caused it to be established as an "independent" state. In the economic sphere, Japan has been attempting to fashion the new state's economy so that it will enhance Japan's military strength and complement its industrial requirements. According to many competent observers, however, Japan has greatly over-estimated the importance of Manchuria's resources and market. To carry out its economic program, moreover, Japan has been obliged to spend and invest enormous sums of money in Manchuria's railroads, industrial enterprises, etc. Much of the investment is no doubt justified on economic grounds, but a large fraction is not. Certain of the railroads and industries, for example, primarily serve strategic rather than economic ends. It is doubtful that all of these latter can function except at a loss. The number of economically unsound enterprises which Japan can compel Manchukuo to support is definitely limited. This is especially the case now that Manchukuo has lost—probably permanently—a large share of its profitable export market for soya beans. Therefore, if Japan goes beyond certain limits in shaping Manchukuo's economy along inherently unsound lines, Manchukuo will remain a permanent burden on Japan. Precisely what these limits are is difficult to ascertain at present. Possibly Japan has already exceeded them. Many competent observers, moreover, entertain grave doubts that a country in Japan's present financial predicament can afford to invest such enormous amounts of money in enterprises which, even though economically sound, cannot pay for themselves for decades. Whether Japan has paid and is paying too high a price for the additional military security which control of Manchukuo allegedly provides, however, is a question which Japan must answer for itself.

"The present Manchukuo administration undoubtedly is technically more efficient than its predecessor. Many of its reforms are commendable achievements. Whether the inhabitants of Manchukuo as a whole are "better off" as a consequence defies answer. Economically the prospects of the masses are certainly no worse. But the legitimate opportunities of upper-strata Chinese who do not "cooperate" with the Japanese have been considerably lessened. Due allowance must also be made for the fact that few peoples have ever been grateful to a foreign government which has "delivered them" from their own rulers—almost irrespective of how bad they were—if it afterwards set up an administration of its own choosing. The Chinese are no exception. Moreover, even if those Chinese living in Manchukuo and the several Chinese governments south of the Wall should reconcile themselves to the severance of Manchuria from "legal" China, large and increasing number of articulate Chinese south of the Wall and abroad are not likely to reconcile themselves to it permanently. September 18, 1931 for many years to come will be commemorated by the latter as a "humiliation" which must

be avenged. And many Chinese south of the Wall and abroad will continue to regard financing bandit activities in Manchuria as a patriotic act. This can hardly provide an atmosphere conducive to cordial Sino-Japanese relations for the future. Even now the tension—although apparently lessening—is sufficiently high that any "incident," genuine or manufactured, may set off another conflagration in the Far East."

General Honjo to Be Raised to Peerage

General Shigeru Honjo will be raised to the peerage next March, in recognition of his service during the Manchurian Incident. He will receive the rank of Baron.

Sir Charles Seligman Sees Great Opportunities for British Investment

The British Industrial Mission to Manchukuo, headed by Lord Barnby, left Dairen for Chosen October 16 en route to Tokyo. Four members of the Mission attended a cocktail party given in their honor at the Yamato Hotel by the Mayor of Dairen and other Japanese officials. Sir Charles Seligman, financial expert of the Mission, is quoted as having said that he is convinced that there are great opportunities for British investments in Manchukuo.

The Annual Battle Over the Budget in Japan

WITH the Finance Ministry on one side and all the other Ministries on the other, the annual contest over the budget is being waged in Japan. Against demands totaling Yen 1,200,000,000 for new enterprises the Finance Ministry is expected by the *Asahi* to set proposed allowances at Yen 260,000,000, a mere 27 per cent or thereabouts; and when the opposing figures are finally established, the usual debates, arguments and "political negotiations" will start, leading up to agreement on a figure to be submitted to the Diet.

If the Finance Ministry proceeded on its present program and won, the total budget for the 1935-36 fiscal year would be Yen 1,990,000,000, less by Yen 152,000,000 than the current year's budget of Yen 2,142,000,000. If the Ministries won all their demands, the next budget would be Yen 2,850,000,000, larger by Yen 708,000,000 than the total of 1934-35 appropriations. But, as the yearly debates, arguments and negotiations invariably lead to compromises, it is expected the final figure will be much higher than the total offered, and much lower than the total demanded.

The War Office wants Yen 246,000,000, and the budget bureau proposes to allow Yen 130,000,000. The Navy Office says it cannot get along on less than Yen 249,000,000, of which the budget bureau has approved only Yen 70,000,000. The Home Office is insisting on Yen 180,000,000 for its new enterprises, but the bureau is willing to grant only Yen 20,000,000. The Agriculture Ministry demands Yen 113,000,000, and is offered only Yen 20,000,000.

Recent Typhoon Disaster Makes Further Levies of Taxes Impracticable

Holding increases in taxation to be impossible after the tremendous damage caused by natural calamities in many parts of Japan in the last year, Finance Minister Sadanobu Fujii has decided to depend on additional issues of Government bonds to cover the budget deficit in the fiscal year 1935-36. In doing so he will be following the policy of his predecessor, Mr. Takahashi, upon whom Mr. Fujii has called several times recently.

Prominent Japanese Merchant Warns Against Bonds

A warning that the issue of Government bonds to balance national budgets had already reached breaking-point was sounded by Baron Seinosuke Goh, president of the Japan Chamber of Commerce and Industry and one of the outstanding businessmen in Japan, at a dinner given by the Chamber in honor of the members of the Okada Cabinet beginning of the month.

Baron Goh stressed the vital necessity of the maintaining an equilibrium between national finances and national defence, pointing out that national defence could not be insured only by perfection of armaments. He said that it must be based exactly on the industrial, economic and spiritual strength of the nation. He earnestly urged the Cabinet to pay heed to this point so that national finances and defence might always be well balanced.

Pointing out that Japan was "the mainstay of Far Eastern peace," Baron Goh hoped that the Government would exert its utmost efforts to obtain a fair and reasonable agreement at the forthcoming Naval Disarmament Conference that might insure the safety of the nation. This ought to be one of the main tasks of the Government, he declared.

The Baron hoped that the Government, while refraining from drastically changing its financial policy, would spare no efforts to bring a perfect budgetary equilibrium as the first step towards the restoration of sound national finances in Japan.

Turning to the continued issue of "red-ink" Government bonds, Baron Goh said that the Administration had made it a

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rule to cover deficits in the budget for several years by floating bond issues, adding that all these bonds had thus far been satisfactorily digested owing to an increase in bank deposits. Noting, however, that further bonds to the amount of ¥700,000,000 would shortly be floated by the Government for the current fiscal year, he expressed the opinion that the issue of "red-ink" bonds had "almost reached breaking-point."

Japanese Silk Farmers in Bad Plight

Cocoon raisers in Japan are reported in Japanese papers to be in a bad plight. Owing to the drop in production, as well as the sharp fall in prices, their income this year is expected to be reduced to less than Yen 200,000,000 or approximately one-third last year's earnings. This is the worst on record since 1915. Assuming an average price of Yen 2.20 per kwan, the earnings of Japanese growers this autumn will be only Yen 80,616,000 or Yen 120,000,000 less than last autumn. Combined with a Yen 180,000,000 loss this spring the aggregate shrinkage in their earnings will be Yen 300,000,000, the net income being only Yen 197,920,000 or a little over one-third last year's figure.

Japanese Trade Makes Great Progress in Latin America

A recent Washington message stated that Japan's commercial penetration of Latin America is proceeding at rapid pace, with steady gains in the Caribbean area and a more stable position in South America through greater equivalence of imports and exports.

Bailiffs Make Raid on Tokyo Central Railway Station

Tokyo Central Railway Station was the scene of an amusing incident Oct. 13. A group of men appeared at the office of Mr. Horio, the station-master, and, despite his opposition, seized all the receipts of the first and second-class ticket offices. As the raiders did not have any satchels with them, the money was carried away in pockets, handkerchiefs and hats. The head of the group was identified as Jingoro Nakavasu, a lawyer, and his assistants were found to have been bailiffs of the District Court. The infuriated station-master informed the police, the newspapermen and curious onlookers that the hold-up was carried out by order of the District Court. The details of the incident were that a claim was outstanding against the Railway Ministry for five years; the plaintiff's lawyer got the Court's permission to seize the cash of the Tokyo Central Station, it being the property of the Ministry. The station-master then appealed to the police. He charged the "raiders" with interfering with Government officials in the performance of their duties. The Police thereupon forced the "raiders" to return the money.

Campaign Against Licensed Prostitution

The Japanese Home Ministry is stated to be fully prepared to abolish the system of licensed prostitution, having completed all necessary investigations. It is said the plan would have been carried out already if it had not been for the Cabinet change and the recent typhoon. It is reported that some of the authorities are still undecided as to the advisability of effecting abolition throughout the country simultaneously, believing such a step may cause keepers of resorts to unite in a protest. It is thought the system may be abolished by prefectures separately through the approval of prefectural assemblies. Many prefectural assemblies have adopted resolutions in recent years in favor of the abolition, affording time for the keepers to change their business. Sudden action by the Central Government, it is feared, may arouse the operators to demand indemnity.

Philippines Abandon Plan to Discriminate Against Japan

The Philippine Legislature has abandoned the plan to raise tariffs generally on Japanese goods.

Through Express Service from Tokyo to Changchun

A through express service from Tokyo to Changchun will start running November 1.

200 Naval Vessels at Osaka

More than 200 ships of the Japanese Navy arrived in Osaka harbor Oct. 15, for a brief stay, after completing the grand maneuvers which lasted for three months. Officers and enlisted men of the fleet will take part in a review at the Joto Parade Grounds Oct. 20. An aerial armada of 100 naval planes will fly over the city during the review.

Soviet Icebreaker "Taimyr" Relieves "Winterers"

The icebreaker "Taimyr" recently completed its task of relieving the "winterers" on Cape of Desire, in Novaya Zemlia. Cutting her way through the heavy ice near Franz Joseph Land, the icebreaker reached the northern extremity of Novaya Zemlia.

Many Air Routes in the Soviet Far East

The Soviet Far-Eastern Administration of Civil Aviation reports the regular functioning of lines between Habarovsk and Vladivostok, Sakhalin, Northern Coast of the Okhotsk Sea, Komsomolsk, and along the great trunk line Habarovsk-Moscow.

Double Tenth Finds North China in Varied Moods

(From The Review's Correspondent in Peiping)

OLD and wearied Peiping, plodding under issues ever so numerous and so complicated, for once laid aside her troubles to join in the nation-wide commemoration of the founding of the Chinese Republic. There was little color, to be sure, let alone gaiety. The occasion was marked with that restrained joy which is appropriate for a period of national emergency—more restrained in this city, perhaps, than at most places in the country owing to her now vital position as a frontier town in fact if not in name.

Yet October 10 of this year was as unmistakably a holiday as it ever had been. For not only the National Government decreed it to be so, but popular and social activities here on that day bespoke of a holiday-making mood. Most of the spots worth seeing—such as Palace and Historical Museums and Chungshan and Peihai Parks—were open to the public at nominal admission charges, and the theatres and cinemas registered capacity houses. In some such ways was the dullness of official celebration atoned for.

Sports Carnival at Tientsin

Down at Tientsin, however, Double Tenth was celebrated with a grand sports carnival. There, in a newly dedicated stadium of eight hundred thousand dollars, athletes, both men and women and representing all the provinces and municipalities in North China, have participated in a week's program of athletic contests and ball games. To this scene of young China in action were drawn such dignitaries as foreign diplomatic and military authorities in North China as well as prominent Chinese leaders like Drs. W. W. Yen, C. T. Wang and Chu Min-yi, Generals Yu Hsueh-chung, Shang Chen and Fu Tso-yi, and Admiral Shen Hang-tieh. One could not help thinking that Chinese officialdom has become sports-minded.

Tomfoolery at the Universities

While youth was glorified at Tientsin, it was here rebuked for loose discipline. The subject of censure was furnished by freshmen "tossing," a term covering various mischievous treatments meted out to new by old students, which have gone beyond reasonable limits. The practice has become so notorious in two local universities—Tsinghua and Yenching—that it was brought to the attention of the Ministry of Education. The said ministry has consequently instructed the authorities of the universities concerned to curb such unruly acts of the students as would tend to break down academic discipline. It is hoped that thus censured, the meaningless mischief-making will cease to be a fad.

Crime and Suicide Wave

Passing from school to society, it must be reported with regret that a crime and suicide wave has swept over Peiping and is still gathering momentum—a sign of the grim Northern winter ahead. Scarcely a day passes without the news of some unfortunate taking their own lives in one way or another, appearing in the local dailies. At the same time thefts, robberies and man-slaughters were on the increase. As if these were not enough to cause social uneasiness, the failure of a large money shop in the west city the other day sent many conservative investors who would not trust their money with modern banking institutions, to their deserved panic and distress.

But if crime is rapidly raising its head, the arm of law is no less vigorously putting it down. On October 6, a certain Shih Tsan-tang who had confessed to blowing up a coach of the first P. M. R. through train was executed, while several of his accomplices were sentenced to varying terms of imprisonment. Shih had been in hiding since he committed the hideous crime on July 1 last, but was recently tracked down to expiate it with his own life. Justice at length closed the bombing incident which occurred two months ago.

Illicit Drugs Traffic Being Suppressed

Equally drastic were the municipal authorities in suppressing the use of and traffic in illicit drugs. Like in Shanghai, a treatment center was instituted where not a few addicts were sent daily for cure from the dreadful habit. Many, to be sure, have emerged from their ordeal very much changed persons, but it was not infrequently reported that cured addicts were caught again smoking opium, heroin, etc. To this class no further leniency is possible. The only way left to the state is to put an end to their miserable, wretched lives. And this is what the Bureau of Public Safety has done of late, by shooting scores or so of these incurables.

Unlike the punishment of drug addicts, which is almost purely a domestic matter, the suppression of drug traffic involves some international complication. The fact is that a large percentage of the poison dumped on the Chinese has been handled by and through the Koreans. Of course, there are native dealers too. But they cannot carry on the traffic with impunity, and the recent execution of no less than two police officers found guilty of being engaged in the dope business themselves, shows the

determination of the municipal authorities to sift the whole ramifications of the narcotic ring. When it is a matter with the Koreans, however, difficulties beset every step that Chinese law enforcers may proceed. All along the Japanese authorities have abetted crime by shielding the offending Koreans under the wing of extraterritoriality. Even in the case of Koreans who had become naturalized citizens of China, Japanese protection was freely claimed and as freely granted when necessary. Under such circumstances measures of suppression could not produce the desired results.

Japanese Promise to Cooperate

It was therefore as a godsend that news was received to the effect that the Japanese authorities in Peiping have agreed to cooperate with the Municipal Government in eradicating the drug evil from this city. The principles which the Japanese were reported as willing to follow were: (1) Koreans who had become Chinese citizens through naturalization, if found guilty of dealing in drugs, are liable to be punished by the Chinese authorities according to Chinese law, just as offending Chinese would be penalized; and (2) Korean subjects of the Japanese Empire found guilty of same, should be driven from the territory under Chinese jurisdiction. There is of course much to be thankful for in these gestures. But it is generally felt that they could be better and more thorough-going. For instance, in the latter arrangement the good will of the Japanese would not be worth a straw if the sanction is taken to mean simply deportation from purely Chinese territory. For it is evident to everybody that, driven from Chinese soil, these traffickers may find a new haven in the Japanese Concession in Tientsin from which to operate their lucrative business. Then, again, nothing is done or mentioned for penalizing non-Korean Japanese engaged in the drug traffic. It is an undeniable fact that quite a number of offenders have come from the Japanese Isles, and not from the Korean peninsula.

Nevertheless, Chinese officials appeared satisfied with the Japanese attitude, which they considered to have undergone a favorable change. As an added proof they advanced the fact that the Mivagoshi incident has been amicably settled between the responsible Chinese and Japanese authorities. While we would welcome an early settlement of the case, we have to wait for confirmation of the news by Japanese officials or news agencies, which has not yet been forthcoming.

Japanese Maneuvers on "Double Ten" Day

Meanwhile, the Japanese Imperial Army in North China was having extensive military maneuvers along the various Great Wall Passes on or around October 10. Perhaps this is another instance of Japan's good will—in holding the exercise for the National Government on China's National Day, who knows!

But Moscow is not disposed to humor as we are. For some time we have been wondering what might account for the *Pravda's* point-blank and even bitter attacks against Japan's new thrust toward the Inner Mongolia. But now we have at least some inkling to enlighten ourselves. According to a report, the Japanese have organized at Dolonor a Japanese-Mongolian Bureau for the Colonization of Inner Mongolia. Branches of this Bureau are to be found in cities along the Jehol-Chahar border, where they will make strong bids for the employment, by leaders of Western Mongolian Leagues and Banners, of Japanese capital in their future colonization enterprises.

October 14, 1934.

Chiang Kai-shek Issues Stern Order Against Opium Cultivation

A circular order was issued last week by General Chiang Kai-shek, President of the Military Affairs Commission, to the ten Provincial Governments of Honan, Hupeh, Anhwei, Kiangsu, Chekiang, Fukien, Kiangsi, Hunan, Shensi, and Kansu—in which new methods were suggested for suppressing the cultivation of the opium-poppy. "It is a painful fact," the circular said, "that, according to investigations, the opium poppy is still being grown clandestinely in the outlying territories and frontier provinces. For the present, the Provisional Headquarters of the President of the Military Affairs Commission will not despatch Inspectors to the provinces to supervise the suppression of opium cultivation; it will however despatch secret agents to each province to inspect the results of opium suppression. In case poppy cultivation be detected by the inspectors or secret agents in a district which has pledged to permanently refrain from cultivation of the poppy, the District Magistrate concerned and the Provincial Official entrusted with the responsibility of supervising the suppression of opium cultivation, as well as the local gentry who signed the bond, will each and all be severely punished in accordance with military law. No leniency will be shown to them.

Ford Registrations Lead in Shanghai

Fords head the list of motorcars in the Foreign Settlement of Shanghai with 958 private and 118 public registrations, Buicks come next with 592 private and 16 public cars. The Ford lead in motor trucks is even more pronounced.

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All applications and inquiries should be addressed to the Director at 1954 Avenue Haig, Shanghai.

CHINA IMPOSES HEAVY DUTY ON SILVER EXPORTS —COUNTRY NOW HAS A "MANAGED" CURRENCY

(Continued from Page 254)

curb the unlimited export of silver so as to prevent exhaustion of national reserves.

Regulations Issued by Ministry of Finance

Another version of the regulations governing the silver export duty as fixed by the Finance Ministry is as follows:

1. A reduction of 2.25 per cent of the seigniorage charge is to be made in the original 10 per cent tax rate on silver dollars, thus bringing the new silver export duty to 7.75 per cent:

2. With regard to bars and other commodities, to the original tax rate of 2.25 per cent, a surcharge of 7.75 per cent is to be levied, thus bringing the new export duty to 10 per cent.

In case a deficiency is shown between the exchange rate of silver in Shanghai in accordance with the silver value in London and the exchange rate as fixed by the Central Bank of China in accordance with the market value, this deficiency should be made up by an equalization charge on silver exports.

The Central Bank of China will, in pursuance of the ministerial order, inform the Customs about the exchange rate difference mentioned above every business day, to facilitate the latter's calculation.

Crimp Is Put Into Speculative Transactions

Speculators had been engaged in the exportation of silver from China in view of the prospect of a minimum profit of \$6 per \$100 worth of silver exported. Consequent upon the order of the national government whereby silver shippers will be required to pay a total of 12.5 per cent on silver dollars and mint bars, the speculators find themselves faced with an inevitable loss of approximately 6 per cent on shipments of silver from China for London since the tax and extra duties were intended to create an actual exact parity of silver prices in Shanghai and in London.

Local financial circles express gratification and satisfaction over the decision made by Dr. Kung in imposing the new customs duty on silver exports. Hope is expressed however, that the government take cautious measures in preventing smuggling of silver out of China by unscrupulous speculators. It is expected by observers that the imposition would, as a consequence of its effects in restricting the export of the white metal, encourage the export of commodities and discourage imports.

Notes to U.S. Government

After consultation with the American Government the following texts of communications recently exchanged between the National Government and the American Government were made public early this week.

In making public these communications through *Kuo Min*, Dr. Kung stated that he is gratified at the willingness of the American authorities, within the general purposes of the Silver Purchase Act, to conduct their operations with the closest attentions put forward by the Chinese government, and also to explore with China's representatives certain larger problems that are involved.

Communications to the American Government through Minister Sze, September 23, 1934:—

"China, as the leading silver standard country, considers that silver has much more vital concern to it than to any other country, and in view of the American Silver Purchase Act, presents to the American Government the following views supplementing previous informal communications. Since 1931 the rising value of silver in terms of foreign currencies has involved severe deflation and economic loss to China and has dislocated China's balance of payments, in part at least by hampering exports. Recently, stimulation of the silver price abroad, to which exchanges have not fully responded, has caused a serious drain of silver creating great alarm. Silver exports this year to date have been over three times greater than in any previous full year. A further material silver price increase would cause very serious injury to China, possibly severe panic. Although influential American circles advocate higher silver prices, the Chinese Government of course makes no assumption concerning American policy in this regard.

Lower Stabilization Level

"China is certain that the American Government desires to avoid action that might aggravate present conditions, and therefore would appreciate assurance that the American Government will refrain from action that might cause continuation of the present silver drain from China and accordingly will co-operate to prevent further rise and to maintain stability of silver which the London agreement contemplated. Indeed from China's viewpoint, the stabilization level should be somewhat lower than the present price.

"The National Government feels obliged actively to seek means of avoiding further hardships of silver fluctuations. It considers that China should not alone maintain the silver

standard and is considering gradual introduction of a gold-basis currency which would necessitate acquiring gold. Since the American Government desires an increasing proportion of silver in monetary reserves, the National Government desires also to ascertain in principle whether the American Government would be willing to exchange with the Chinese Government gold for silver."

Paraphrase of Instructions to Minister Sze, October 1, 1934.—

"Please at once reply that China is gratified that the American Government recognizes the unfortunate effects which excessive silver prices would have, and would appreciate the earliest practicable reply to our telegram September 23 in order to assist deciding China's policy to meet the potential serious monetary situation resulting from the present rise in silver price and silver drain. American co-operation to prevent further silver price rise and to maintain stability as contemplated by the London agreement is particularly vital to China. In this connection, point out that rising silver discourages commodity exports thereby impairing China's purchasing power for imports. Also desire reply to inquiry regarding exchanging silver for gold."

America's Answer

Communication from the American Government through Minister Sze, October 17, 1934.—

I regret delay in the delivery of my message of September 22. I have endeavored in conversation with the Chinese Minister at Washington to state fully the attitude of this Government in regard to pre-occupations and suggestions put forward by the Chinese in connection with the execution of the American program of silver purchase.

"In my discussion with the Minister I have tried to indicate the purposes animating this Government in its silver purchasing program. This program is embodied in an Act of Congress which is mandatory as to its general objective upon the Executive. Ways and means to be used for carrying out this objective are left within the discretion of the Executive but of course must be consistent with achievement of that objective.

"This Government is desirous of so carrying out the program as to produce the general benefit that would result from enhancement and stabilization of the price of silver and to avoid, so far as may be possible, disturbances to the economy and public finances of China. Therefore in conducting operations under the Silver Purchase Act this Government, while necessarily keeping within the general purpose of the enactment, will give the closest possible attention to the possibilities of so arranging the time, place and quantity of its purchases as will keep in view the considerations put forward by Chinese Government in its communication.

"Free markets in which gold or silver could be acquired by purchases are now open to all nations and therefore direct inter-governmental transactions have not been undertaken. The availability of such markets in the future is open to friendly discussion, especially because of our common desire to work towards common standards. We shall be glad at any time to explore these larger problems with your representatives."

Senator Thomas Recommends Devaluation of U.S. Dollar

Senator Thomas, Democrat for Oklahoma, last week declared that the American banks are reaching the saturation point in the absorption of Government bonds, simultaneously refusing to make private loans. He added that, in the event of a general unloading of bonds, prices will crash, eliminating the liquid assets of the banks, and starting uncontrolled inflation. His remedy envisages a further devaluation of the gold dollar, thereby putting new money into circulation.

The London *Financial News* October 12 stated that although the recent rise in silver is attributed to Chinese and Indian demand and the scarcity of supplies, persistent buying by the United States authorities must also have provided a good basis.

Japanese Steamer Line to Compete with Dutch Line

The Tokyo Foreign Office Oct. 15 confirmed that the Osaka Shosen Kaisha and others are likely to begin open competition with the Java-China-Japan Line because the Netherlands Japanese negotiations in Batavia, designed to divide the business equitably have proven a failure.

Netherlands East Indies Ask Japan to Cut Sugar Production

Restriction of sugar production in Formosa and the South Seas mandated islands is being asked of Japan by the Netherlands East Indies' delegation in Batavia. Further in case Manchukuo attempted sugar production, the Japanese Government was asked to prevent such attempts. The Netherlands' delegation further asked the Japanese delegation to guarantee yearly imports of 1,200,000 tons of sugar from the East Indies.

The Japanese delegates at the Batavia Conference are opposing the requests as an unjustified interference with Japan's domestic policies.

Yuan Appropriations Cut So as Balance Budget

Nanking advices state that in order to balance the budget for the current year, several changes in expenditures and revenues have been made. Reductions are being made in the annual expenditures of the Legislative, Judicial, Executive, and Control Yuans. For the Ministry of Finance alone, \$1,000,000 has been curtailed. Minor reductions have also been made in the annual expenditures of the Ministry of Interior, the Ministry of Railways, and other Government organs. Among revenues added to the budget are net profits from national enterprises, proceeds from the customs revenue surtax, foreign loan, including the American wheat and cotton loan, and the railway loan from the Boxer Indemnity funds, thus making a total of \$918,000,000, to balance the total expenditure. The original figure was about \$777,000,000.

Still Further Duty on Foreign Silk Is Asked For

The Chinese Home Products Association has submitted a petition to the Ministry of Industry urging that the import duty on foreign silk should be increased immediately. The Ministry of Industry has referred the petition to the Ministry of Finance for consideration.

Cantonese Authorities Appropriate \$5,000,000 for Relief of Rural Districts

The Cantonese authorities have decided to appropriate \$5,000,000 for the relief of rural districts suffering hardship on account of the general depression. An agrarian survey of Kwangtung, including an investigation into its social, economic and political relations as they affect the rural structure and agricultural industry, is being carried out.

New Auditorium to Be Built at Chingkiang

The Kiangsu Provincial Government has decided to appropriate a sum of \$500,000 for the construction of a new auditorium and a series of office buildings at Chingkiang, for the housing of the various departments, the present quarters being considered inadequate and unsuitable for the purpose.

Confucian Temple in Southern Shantung to Be Repaired

A sum of \$100,000, being half of the grant made by the Central Government, was remitted to the Shantung Provincial Government at Tsinan last week for carrying out the repairs to the Temple of Confucius at Kufow, southern Shantung. A representative of the Provincial Department of Reconstruction has been dispatched to Kufow to attend to the work.

Shanghai Cotton Mill Owners Object to Tax Increase

Agitation is prevalent among Shanghai cotton mill-owners for cancellation of the decision of the Ministry of Finance to increase the consolidated tax on cotton yarn, which will become effective on November 1. The Cotton Millowners' Association, 80 Avenue Edward VII, has requested the Internal Revenue Administration to confer with the Ministry on the question.

Ministry of Industry Rules on Trade Marks

The Chinese Chamber of Commerce has asked the Ministry of Industry for instructions concerning the placing of "native goods trade marks" on foreign materials, as has been alleged by letters from dealers in the rubber and metal trades. The Ministry has replied that such a practice is not allowed, and that persons caught will be charged with defrauding the public.

Loan of Two Million Sought for Wei River

Lei Poa-hua, director of the Reconstruction Department of the Shensi Provincial Government, will visit Shanghai shortly for the purpose of negotiating a loan with local bankers for conservancy work in the Wei River in Shensi. The loan has been temporarily fixed at \$2,000,000 and negotiations regarding the terms will be discussed immediately on Mr. Lei's arrival in Shanghai.

Canton Planning Strong Navy with Aid of British and American Instructors

British and American instructors will be employed by the Canton Government for training Chinese naval units in South China, according to an official announcement in Canton, Oct. 15. The scheme, it is stated, has been formulated at the instance of General Chen Chi-tang, Commander-in-Chief of the Kwangtung Forces, who wishes to enlarge the Naval Academy with a view to training better officers. Besides recruiting the services of foreign naval experts, Admiral Kiang's scheme will call for appropriations for more equipment for the Academy.

Brides from Northern Japan for Armed Colonists

Twenty-five young women from Northern Japan, proceeded beginning of this month to Chiamussu on the lower Sungari to become brides of armed colonists. They paid devotion before the Meiji and Yasukuni Shrines in Tokyo and worshipped at the Ise Shrine before leaving. They travelled by steamer to Dairen, then by rail to Harbin, and by a river steamer to their destination just in time to arrive before Sungari navigation closed for the season.



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FROM SHANGHAI TO CHICAGO WORLD'S FAIR



Here is J. V. Crowe, manager, Ford Motor Company, Exports, Inc., Shanghai, with Mrs. Crowe inspecting the sign which marks the Chinese section of the "Roads of the World" exhibit, twenty-one reproductions of historic highways arranged in an oval on the lakefront at the Ford Exposition, at the "Century of Progress," Chicago. Veteran of twenty-one years service in the Far East, Mr. Crowe stopped over for several days at the World's Fair en route to Dearborn for important business conferences with officials of the Ford Motor Company. Mr. Crowe told American newspapermen that business in Shanghai was good and that a rapid increase in good roads was noticeable throughout China.

THE GIST OF JAPANESE PRESS OPINION

In view of the existing political conditions in China, it is probable that Gen. Chiang Kai-shek will seek to unify China under his dictatorship at the forthcoming fifth plenary session. His political opponents are active but not strong enough to prevent his unification, nor is such prevention desirable.—*Tokyo Chugai.*

If America insists on the maintenance of the ratios, which impairs the sense of national security in other nations, it is because she misunderstands Japan's Oriental policy.—*Tokyo Asahi.*

The general survey of the American attitude on disarmament leads us to the conclusion that it is largely controlled by her Oriental policy. If this is the case, America and Japan must first seek agreement in their respective Oriental policies.—*Osaka Asahi.*

The military pamphlet recently published was intended, according to the War Minister, to impress the people with the necessity for instituting a systematical defence system. The military should be warned against excessive advance.—*Tokyo Miyako.*

Military men's interference in politics must be avoided, but this theory should not prevent closer cooperation between civil and military authorities regarding affairs of State defence.—*Tokyo Kokumin.*

Alleged Lindbergh Kidnapper Extradited to New Jersey

Bruno Richard Hauptmann must stand trial for his life in New Jersey, where he is under indictment charging the kidnapping and slaying March 1, 1932, of the infant son of Colonel Charles A. Lindbergh, world famous flier.

The Supreme Court of New York Oct. 16 denied Hauptmann's application for a writ of habeas corpus, which would have thwarted the move of New Jersey authorities to extradite him.

Fourth Liberty Bonds Successfully Refunded

The United States Treasury Oct. 12 announced that the books had been closed on completion of a most successful refunding of the Fourth Liberty Bonds. An aggregate of U.S.\$1,020,000,000 out of U.S.\$1,250,000,000 redeemable bonds have been turned in for either four-year notes or new 3- $\frac{1}{4}$ per cent bonds.

"Bird Seed for the Blue Eagle"

Chauncey Weaver, a delegate at the American Federation of Labor's annual convention in San Francisco Oct. 11 said, "The commerce which has resulted from our recognition of the Bolsheviks has been insufficient to buy birdseed for the Blue Eagle."

Hearst Has Poor Opinion of Upton Sinclair

W. R. Hearst in a recent interview said Upton Sinclair is a speculator in politics, an inventor in economics and an adventurer in sociology—a dreamer rather than a thinker.

Hollywood motion picture producers threaten to move to Florida if Upton Sinclair is elected governor.

Rubber Industry in U. S. Hit by Japanese Erasers

The U. S. rubber manufacturers' code authority Oct. 9 filed complaint with the National Recovery administration against the increasing importation of Japanese rubber erasers.

Mrs. Isabel Rockefeller Receives Huge Bequest

The late Percy Rockefeller bequeathed his entire estate, valued at \$100,000,000, to his widow, Isabel.

France to Establish Embassy in China

The news comes to hand through Japanese sources that the French Government will raise the status of its legation in China to the rank of Embassy, in the near future. The motive for the action is given as the desire to maintain equal representation in China with other nations.

The military men must exercise common sense lest they should lay themselves open to criticism and lest they should create unfavorable comments from abroad.—*Tokyo Asahi.*

If an Anglo-Japanese understanding can be reached, it will brighten the prospects of world peace.—*Tokyo Nichi Nichi.*

Under the existing political conditions, an extra Diet session, whether dissolved or not, inspires the public with no confidence.—*Tokyo Hochi.*

The doomed fate of partyism now apparent all over the world is due to the egoism of those in the majority—which constitutes the essence of Occidental civilization. This Japan should know.—*Tokyo Kokumin.*

A serious disagreement appears to be in existence as to the reform of the administrative system in Manchuria. Unless this is settled, Powers' recognition will be impossible.—*Tokyo Kokumin.*

That the Japanese administrative reform in Manchukuo was more complicated than expected must be attributed to the inadequacy of precautions on the part of the authorities directly responsible for reorganization.—*Tokyo Nichi Nichi.*

Satisfactory settlement of the C.E.R. entanglement marks a victory of the peaceful diplomacy of Foreign Minister Hirota. This is a lesson to those at home and abroad who assume a stiff attitude on the arms parley.—*Tokyo Yomiuri.*

Who's Who in China

Chou Tse-chun, Government official; native of Hupeh; received the *Che-jen* degree under the Manchu Regime; Doctor of Laws from the Berlin University, Germany; assisted Dr. Sun Yat-sen in organising the Tungmenghui (predecessor of Kuomintang) in Europe;



周澤春
Chou Tse-chun

served in the Foreign Affairs Office and the Law Codification Bureau and the War Office under the Manchu Rule; appointed in 1911 by Dr. Sun Yat-sen as Commissioner for Foreign Affairs of Shantung; Chief Procurator of the Supreme Court at Peking; President of the Metropolitan District Court (Peking); member of the Revenue Readjustment Committee of the Ministry of Finance; professor of law at the Peking National University and the Peking Law College; Special Commissioner for Foreign Affairs in Szechuen; secretary and concurrently Counsellor of the Ministry of Foreign Affairs; conferred the rank of Expectant Minister Plenipotentiary; member of the Treaty Revision Commission of the Ministry

of Foreign Affairs; now Foreign Affairs Inspector for the Provinces of Anhwei, Kiangsi, Hupeh, Hunan and Szechuan; was awarded the 2nd Class Taishou Chiaho Decoration by the Chinese Government; address: Office, Foreign Affairs Inspector for the Provinces of Anhwei, Kiangsi, Hupeh, Hunan and Szechuan; Hankow, Hupeh

周澤春，湖北人，前清舉人，留學德國柏林大學法學博士，在歐贊助孫中山先生組織同盟會，外務部奏調和會司員兼德俄股員，內閣法制院纂修，陸軍部軍法官，辛亥南京政府孫大總統任為山東交涉使，京師高等檢察廳長，京師地方審判廳長，財政部整理舊稅所議員兼辦新稅所議員，國立北京大學法政大學法律系教授，四川外交特派員，外交部秘書兼參事上任事兼機要處長，記名全權公使，二等大綬嘉禾章，外交部條約委員會委員，現任外交部皖贛湘鄂川視察專員。

What the Sopher Brothers Got Out of the Ezra Estate

Arthur Sopher and Theodore Sopher, who some years ago among other activities, had the destinies of *The China Press* under their control, recently issued a joint statement to refute rumors which they say have been in circulation about them and which they say were unfounded. The essential part of their statement is the following: "During 1930 we withdrew from the management of the said Edward I. Ezra Estate because of disagreement between ourselves and Mrs. Ezra in the matter of the future policy of the Estate and regarding our remuneration for the nine years of our management, as when we assumed the said management we did not deem it necessary to have our relations with our sister covered by a contract in writing. Owing to such disagreement we, ourselves, urged to refer the matter to an honorary committee composed of the late A. B. Lowson, Manager of the Hongkong & Shanghai Banking Corporation (which institution had been the Bankers for the Edward I. Ezra Estate for many years), the late S. A. Hardoon, relative and friend of our family, and G. H. Wright, of Messrs. Hansons, (legal advisers to both the Bank and the Estate), which committee, having fully and thoroughly gone into the whole matter of our relations, unanimously decided that our remuneration, in the absence of any written agreement, was to be not less than Taels 150,000 for each of us for the entire period of nine years, which sum they recommended Mrs. Ezra to pay and which recommendation was followed by her."

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the gentle, natural way to relieve
CONSTIPATION

Men and Events

E. Kann addressed the Shanghai Rotary Club on "China's Currency Crisis" at the Metropole Hotel Oct. 18.

The death occurred in Paris Oct. 15 at the age of 74, of Raymond Poincaré, President of France during the world war.

Hsu Shih-chang, former President of China, who has been living in retirement in Tientsin since 1922, celebrated his eightieth birthday Oct. 13.

Yu Fei-peng, Chinese vice-minister of communications now making a tour of Europe for the purpose of study, arrived at Warsaw on Poland, Oct. 14.

Shen Chin-ting, present director of the Asiatic Affairs department of the Ministry of Foreign Affairs, has been appointed Chinese Minister to Panama.

The Rev. James R. Graham, Jr., of the Southern Presbyterian Mission in Chinkiang will speak at the Fourth Marines Church in Shanghai October 21 on "The Challenge of Christ."

M. K. Gandhi, the Indian Nationalist leader, during the week issued a statement that he proposes to retire from the leadership of the Indian Congress after its meeting at the end of October.

Manila was paralyzed Oct. 6 by the worst typhoon in more than a decade. Several ocean-going steamers were blown up on the beach, others were wrecked, and 39 persons were killed.

H. J. Timperley, Peiping newspaperman, appears on the "mast-head" of the latest issue of *Asia* magazine as one of two new advisory editors. The other is Gertrude Emerson Sen of Calcutta.

Joseph W. Ballantine, former U. S. consul-general at Canton accompanied by Mrs. Ballantine and daughters Alice and Adele, passed through Shanghai during the week en route to his new post at Mukden.

Rev. J. Frank Bucher passed through Shanghai during the week en route to Shenchowfu, Hunan, where he is connected with the Reformed Church Mission, after having visited his home in Lancaster, Pennsylvania.

Dr. Wellington V. K. Koo, Chinese Minister to Paris, was entertained by the American Returned Students' Association and the American University Club at a dinner at the New Asia Hotel, Shanghai October 17.

Ten alleged Communists arrested in the Settlement in connection with the recent gun killings at the Lester Chinese Hospital and turned over to the Chinese authorities for investigation, have been handed back to the custody of the Foreign Settlement Police.

The Fifteenth Red Cross Congress will commence on Oct. 20 at the Japan Red Cross Society Auditorium in Shiba Park, Tokyo. Fifty-six nations are participating. Judge John Burton Payne, President of the U.S. Red Cross Society, is among those in attendance.

Arthur S. Moore, appointed missionary bishop at the recent conference of the Methodist Episcopal Church, South U.S.A., arrived here this week on his first visit to China since his appointment. He will preside at the annual Methodist conference in Huchow on October 31.

Prison terms ranging from one to 15 years were given by judges in the First Special District Court to 13 convicted members of a robbery gang in Shanghai, five of whom were involved in the robbery of Dr. R. C. Robertson of the Lester Hospital, and an attempted robbery in the Hai Alai Auditorium.

William Bullitt, first U.S. Ambassador to Soviet Russia after the resumption of diplomatic relations, is due in Vladivostok end of this week enroute to Washington on furlough. He will stop over in Japan about ten days. During his sojourn in Tokyo Mr. Bullitt is expected to confer with Foreign Minister Koki Hirota.

The joint dinner reception to Dr. V. K. Wellington Koo, Chinese Minister to France, held at the New Asia Hotel, October 17, was the opening function of the year for the American University Club and the American Returned Students' Association. Dr. E. M. Gale, President of the A. U. C. presided, while Dr. Y. S. Tsao, President of the A. R. S. A. introduced Dr. Koo.

The National Government is in receipt of a communication from Signor Mussolini, the Italian premier, offering two post-graduate scholarships—one for philosophy and the other for engineering—in Italian universities. The Italian Government will contribute a sum of 5,000 liras. The period of study is for one year. The Ministry of Education has instructed the Government Universities to make this offer known to students who may wish to apply for the honor.

Through the courtesy of General Wu Teh-chen, Mayor of the Municipality of Greater Shanghai, the next meeting of the Pan-Pacific Association will be held at the Civic Centre, on Kiangwan Road, on Saturday, October 27, at 12.30 p.m. Dr. C. T. Wang will preside, and Mayor Wu Teh-chen will speak on "Plans for the Development of the Civic Centre." A Chinese dinner will be served.

The "self-striking clock" has been removed from the cupola of the old Shanghai French Municipality building.

James J. James has taken over spacious premises in Route Doumer in Shanghai and converted them into "Jimmy's St. George's." The historic old St. George premises at the tram terminus, end of Bubbling Well Road, were torn down some months ago.

Negotiations are in progress between the Japanese Navy authorities and Germany for the purpose of buying an undetermined number of Zeppelins in Germany to be used in Tokyo-Singapore air service.

A *Havas* report from Washington, Oct. 17 stated that the proposal made by China for a direct exchange of United States gold against China's silver was considered by the U. S. Government as apt to facilitate the American program of silver purchases and liable to avoid unfortunate consequences for China's economy.

The British rule of the road has won out in Tsingtao. Tsingtao during and since the German regime has followed the American rule of keep to the right, the same being also followed in China and Japan. However, as the other ports in China observe the British left-side rule, Shanghai of course included, Tsingtao has decided to change over to the left-hand, particularly with a view to facilitating motor car drivers from other ports.

The Chinese Customs has issued an official notification to the effect that they will cooperate with the Post Office in preventing mail matter being sent out of Shanghai on steamers. The object is to prevent mail matter being sent via Siberia by reposting at Dairen, and also to prevent newspapers which have been banned from the mails to secure circulation abroad by placing them aboard steamers here for such ports as Dairen, Japan or Hongkong.

Restriction of Philippine retail trade to Filipinos and Americans, dispossessing Chinese, Japanese and other aliens, has developed as a likely possibility out of the current convention in Manila to draw up the Constitution for the 10-year transition commonwealth government.

The Hongkong & Shanghai Banking Corporation, the leading financial institution in the Far East, laid the cornerstone of a new "skyscraper" bank building in Hongkong Oct. 17. Sir William Peel, who performed the ceremony, said that for many years the Bank has undoubtedly added to the prestige of the British Empire, and has enjoyed the confidence not only of local and home governments, but also foreign governments, especially in China.

The China Merchants' Steam Navigation Company is stated to be negotiating with the United States Shipping Board for the purchase of a large number of steamers for service in this country. The company has drawn up a comprehensive scheme for the development of China's shipping trade and, with this object in mind, wishes to buy at least 15 more steamers abroad in addition to the four constructed in England.

Nine members of the crew of the *President Jefferson* were under arrest Oct. 18. The U.S. Marshal and river police went aboard the *General Pershing*, in connection with the disturbances, which are said to be only a part of a general Seamen's Union fracas taking in many parts of the far-flung Pacific area. The *Jefferson* trouble occurred in connection with an assault upon two able seamen, committed by members of the engineering crew of the liner, which came into port the previous afternoon.

Russian Ambassador Bogomoloff Departs for Moscow

M. Bogomoloff, Soviet Ambassador to China, departed from Shanghai for Moscow October 13 to make a report to his government on present Russo-Chinese relations, particularly as they are affected by the transfer of the Chinese Eastern railway. Dr. W. W. Yen, former Chinese Ambassador to the U.S.S.R., is determined not to return to his post on the plea of illhealth. Dr. C. T. Wang, former Foreign Minister, is spoken of as his successor.

Chu Cheng Succeeds Lo Wen-kan as Minister of Justice

Chu Cheng, president of the Judicial Yuan was appointed Oct. 7 to be concurrently Minister of Justice vice Dr. Lo Wen-kan, who resigned recently. The appointment was made at a meeting of the Central Political Council, when the resignations of Dr. Lo Wen-kan and Messrs. Shih Chih-chuen and Chen Tien-hsi, Vice-Ministers of Justice, were accepted. Hsien Kwan-sheng, secretary-general of the Judicial Yuan, was Oct. 17 appointed political Vice-Minister of Justice. The administrative Vice Minister of Justice has not yet been appointed.

"Morro Castle" Officers Are Censured

The U.S. Steamboat Inspection board Oct. 16 issued a scathing indictment of the *Morro Castle* officers.

Progress of Ningshu Agricultural Relief Work

(From Our Nanking Correspondent)

More Co-operative Societies Organized

The Ningshu Agricultural Relief Association has, during the past few weeks, organized 112 more rural co-operative societies for the relief of drought sufferers. Through these societies, 1,420 of the most destitute rural families in the Ningshu District are being helped, and a sum of \$31,424 has already been loaned out to these families, principally for the buying of fertilizer and seed for planting their winter wheat crop.

1934 Granary Work Started

Last year the Association established over 300 granaries and distributed from these granaries more than \$114,900 as mortgage loans to the small farmers in need of financial help. This year the same granary work has already completed an arrangement with the Shangshi Bank for carrying out the scheme. Unfortunately, however, most of the farmers, according to D. Y. Lin who directs the work, have been so terribly affected by the recent drought that they just have no grain to deposit in these granaries for loans so badly needed by them. A most pathetic situation indeed!

Co-operative Crop Improvement Scheme Projected

For the carrying out of a co-operative wheat improvement project, the Ningshu Association has just completed an arrangement with the Bank of China, University of Nanking and the Ministry of Industries, whereby the cultivation of two varieties of improved wheat, called No. 26 and No. 2905, will be extended in the Ningshu area under expert supervision. The University will supply the seeds, while the Bank will provide the necessary money for the purchase of these seeds and for loans to be advanced to the farmers participating in the project. Already 18,000 catties of these seeds have been sent out from the University farm and they are being distributed these few days among the Ningshu farmers at the rate of 5 or 6 catties per mow. The Association expects to have at least 2,400 mow of land planted with these improved seeds, and next year the Association plans to increase the area tenfold or more. It was reported that the farmers using one of these varieties last year had increased their production by more than 15%.

Nanking, October 12, 1934.

Sino-American Trade Association is Formed

A Sino-American Trade Association has been organized, with Chang Kung-chuan, managing-director of the Bank of China, as chairman. The executive committee consists of twelve members, six of whom are Chinese and six Americans. It is understood that this is the first of many trade associations contemplated by Chinese industrial leaders. If the Sino-American Trade Association proves a success, Sino-Italian, Sino-French, Sino-British and Sino-German trade associations will also be formed.

Quo Tai-chi on Europe's Indifference to Far East

Quo Tai-chi, Chinese Minister to Great Britain, on returning to London Oct. 11 from Geneva called attention to the fact that this is the first time that the Far East, with a population of over 500,000,000 people, has no representation on the League Council, thus creating the appearance that Europe is indifferent to Far Eastern affairs and strengthening those who say that the League is a mere cat's paw of European diplomacy. The Chinese Minister added that the result of all this must be to weaken the position of Chinese champions of co-operation with the League, tend to leave China at the tender mercies of Japan, and give renewed strength to the Japanese cry of "Asia for the Asiatics." Mr. Quo said he believed that the western governments appreciated the position and would endeavor to find means of rectifying it.

Japan Considers the Ambassador Question

The Tokyo Foreign Office stated Oct. 12 that although Italy decided to exchange Ambassadors with China without consulting Japan, the Japanese Government was still considering the question of an exchange of Ambassadors, such an exchange, it was emphasized, "must be settled after taking into consideration various factors, including international relations and domestic affairs both in Japan and China."



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BEFORE—AND—AFTER.



What is the cause, Brother, of your 'nerviness,' your haggard, pallid countenance, your dyspeptic outlook upon life? These things are foreign to your nature; they do you discredit; you long to shake them off, but don't know how.

No doubt, as an educated man, you readily admit that your nerves, your digestion, every organ, muscle, fibre, and even every hair upon your head, draws its sustenance and strength from your blood.

So that when your blood is at fault—has become thin, watery, vitiated, impure—it is but natural that your physical machinery should get out of order too!

This agreed, we take the next step forward and point out the remedy. It is none other than the blood-purifier, blood-enricher and blood-maker famous in your boyhood—Dr. Williams' Pink Pills.

The unrivalled reputation for actual cures accomplished in many countries and among many races of people throughout over half a century of the world's history should be evidence enough of their merit.

But that is not all. Scientific hospital tests by skilled physicians have proved beyond shadow of doubt that by rapidly supplying ample quantities of red corpuscles, and fresh life-and-energy-giving haemoglobin to the whole system through the blood stream, Dr. Williams' Pink Pills do and must necessarily endow weak, nervous, anaemic, run-down people like yourself with new vigour, cheerfulness—LIFE! Chemists everywhere sell them.



New Books of Interest in the Far East

Missionary Work and Modern Culture

Christian Missions and a New World Culture, by Archibald G. Baker. New York: Willett, Clark and Company (U.S. \$2.50.)

Professor Baker has written a book to be read by all those interested in missions—as well as those concerned about the development of a World Community. According to the author, a member of the faculty of the University of Chicago, the main disability under which the twentieth century is suffering arises from the fact that millions of human beings, who are the products of separate and distinct culture regions, have been thrust too suddenly into a planetary world entailing complex relationships on a worldwide scale.

For the limitations and inadequacy arising from limited horizons, greater cultural interpretation is needed. Religion being a phase of cultural development and missions an aspect of culture interpenetration, a new apologetic for missions appears.

Professor Baker describes the process of culture development and dissemination of western culture in the East. Missions as benevolence bestowed on an "outsider" and paternalism on the part of the missionary are scored, while acknowledgment is made of more admirable attitudes. The explanation of the process of influencing human behavior may seem rather lengthy to those already familiar with S-R bonds, but the "manipulation of stimuli" as the foundation of missionary method may be a strange language to some. One is struck by an under-emphasis on the element of interest or desire on the part of those whose behavior is to be influenced; nowhere is the question raised of the ethics of importing a culture that East may not desire. Chapters on the disintegration of the native culture and reintegration thru new groupings and around a new center of reference carry the process farther.

A welcome note is struck in the plea that religion take its place as one of the elements in a larger process, that there be an honest auditing of its claims and assumptions, *without reservations*, that the ultimate sanction of Christianity lies not in divine authority, but in the fulfillment of its claims, in its satisfactions and dissatisfactions. "By their fruits ye shall know them."

A high level is reached in the setting forth of joint-deliberation as the method of missions—"He must join in the undertaking as a co-deliberator and not as a persuader. This means that if the missionary's mind is already made up with reference to the problem confronting the pastor, for example, he must "unmake" his mind, until it again becomes a real problem for him as well as for the pastor. Then together they take the steps involved; together they pool their respective experiences; together they weigh all the considerations to each projected line of conduct, if perchance they may together define the issue and come to the same "conclusion." This is the deeper meaning of that "sharing" which is so much upon the lips of mission workers today. It is not enough to share convictions. If there is to be any real sharing, the missionary must be willing to open up his convictions afresh, make the problem of the native pastor his problem, and conversely make his own problems the concern also of the pastor and then engage in joint efforts to arrive at common conclusions."

"Now the most insidious of all imperialisms is the imperialistic claim to be absolutely right, and also the imperialistic influence of one mind over another under the guise of suggestion and persuasion. Non-Christian peoples are demanding the right to use their own intelligence to the full. Moreover an increasing number of Christians are coming to see that the methods of suggestion and persuasion do violence to the highest development of personality. These are little more than respectable ways of "putting something over" on another. It is rather the methods of discussion and deliberation that render due homage to the inherent worth of personality and bring to full fruition its highest endowments."

A philosophy of missions that puts as its objective "the development of personality to its highest possibilities, the building of a more perfect form of society, and the enhancing of the values of life as these find expression in a world culture," will recognize that "in some cases conversion to another religion has brought a great new life to the convert".....and "In other cases a similar awakening has resulted from a leavening of the traditional faith." Yet true to his religious inheritance, Professor Baker expounds the value of Jesus Christ as a center of reference, and the confidence of the religious man in relating himself to the great fundamental realities.

The book will appeal to the intellectual, but whether it will serve to collect the pennies and dollars of those who have labored to aid in the spread of what they regarded as the one and only true religion, of divine authority and sanction, is indeed doubtful. Will the new motive have sufficient driving power or gain enough adherents in countries already lamenting the decadence

of religion, to save the cause of missions? The method commended is the way of the liberal, and in these days of disillusionment the way of the liberal is indeed hard. Propagandists are many; true educationalists, "co-deliberators" and sharers few. Much of the power of communism and fascism today inhere in their certainty of absolutism and success. In a world discouraged with the bankruptcy of liberalism, is a liberal theory of missions, born behind its time, only now ready to give up its claims of infallibility, likely to flourish? L. K. H.

China's Law on Negotiable Instruments

Law on negotiable instruments of October 30, 1929. Chinese text and French translation, introduction and notes by Jean Escarra, Professor at the Faculty of Law of the University of Paris. Collection "Modern Chinese Law," No. 7 bis, in 8-0 square, VIII-70 pp; \$1.80. Tientsin: Hautes Etudes, Race Course Road; Shanghai: Aurora University, 223 Avenue Dubail; Paris: Sirey 22 rue Soufflot.

The collection "Modern Chinese Law," whose activity, already so appreciated, remains unabated, has just published a French translation of the Chinese law of October 30, 1929, on negotiable instruments. A former translation, the work of M. Baylin, which appeared in the *Politique de Pekin* and was later issued in a separate brochure, has been out of stock for several months. Jean Escarra, Professor at the Faculty of Law of Paris and Advisor to the Chinese Government, had in 1930 given a translation of the same law to the "Annales de Droit Commercial." It is this translation which he has consented to re-edit, along with the introduction and the accompanying notes, in the collection "Modern Chinese Law."

The special authority of the translator in matters of modern Chinese law is well known. Mr. Escarra took part in 1922-1924 in the labors of the Commission of Codification charged with the elaboration of the bill and on March 1, 1924, in collaboration with M. Padoux, he established a draught in 156 articles which remained as the base for the subsequent labors of the Commission. It was only in 1927 that the preliminary labors were finally brought to an end and on September 30 of that year the law passed by the Legislative Council became effective.

No one can remain unaware of its importance, nor of the opportunity which it gives foreigners in commercial contract with China to grasp these new institutions with precision. The reader will be grateful to the translator for having signaled out, in a footnote, and purely with a scientific view, some imperfections or inexactitudes of the text. Likewise the swift rapprochements with various European legislation or the uniform Rule elaborated at The Hague in 1910 and 1912 remain singularly instructive.

The translation of the law of application containing some important dispositions, figures as an appendix. Following the custom of the Collection, the Chinese text, written horizontally, faces the French text, thus allowing a very easy comparison of the two—in brief, like all the volumes which have hitherto appeared, an excellent and indispensable working instrument.

The Chinese Soviet Republic

Fundamental Laws of the Chinese Soviet Republic. With an introduction by Bela Kun. International Publishers, New York. 1934. \$0.75 gold.

Books on the "Chinese Soviets" are growing more numerous and one is in a better position to evaluate this influence which the Nanking Government has to face and has been facing courageously for the past two years. There is Trotsky's book, *The Problems of the Chinese Republic*, and more recently Yakhontoff's book, *The Chinese Soviets*. The book under review is short, consisting of only 87 pages; but all of its material is of a kind to give the reader a good means of knowing what the "Chinese Soviet Republic" professes to be and to do. It contains, first of all, the text of the Constitution of the Chinese Soviet Republic, promulgated by the first All-China Soviet Congress. (Where this congress met is not indicated.) It contains also the Land Law passed by this same congress, and the more specific measures regarding land passed by the Provincial Executive Committee of the soviets in northeast Kiangsi. Other chapters give equally specific documentary material on the Red Army, the Labor Code adopted by the first congress, resolutions of the congress regarding economic policy, national minorities, and the important subject of marriage. It will be noticed in regard to this last-mentioned subject that though it is provided that "there shall be freedom of divorce", it is also specifically stated that "monogamy shall hereby be established and polygamy prohibited."

It is evident that industrialism takes a necessarily second place in the "Chinese Soviets," the movement depending upon the peasantry. The *t'u ban* or rich landlords are therefore given the same sharp treatment that their prototype the Russian *kulaks* have received from Stalin's regime. Their lands "shall be subject to confiscation without any compensation whatever." On the other hand there is evidence in these documents of a desire to win the middle-class farmer by a policy of moderation in many

things. At the end of this small book are a map and four diagrams showing the organization of the Soviets, the general character of which is a close parallel to the organization of the Russian Soviets.

Here one sees evidence of the discipline and organization which are a challenge to the National Government of China, a challenge which has to be met.

D. R.

Rabelais—A Translation from the French

Rabelais: Gargantua and Pantagruel, Translated by Sir Thomas Urquhart and Peter le Motteux. London: Oxford University Press. Shanghai office, 140 Peking Road.

This version of "Rabelais" by Urquhart and Motteux is not only the sole possible version extant in English, it is, in its excellence, a fine example of that richness and power of translating which the 17th. century possessed in addition to its other literary distinctions. Like Florio's Montaigne, this foreign work in an English dress takes its place in the corpus of our national literature. Urquhart's part in the joint work was confined to the first three books which he translated about 1653. The other books were rendered by Motteux, and the whole combined edition issued by him in 1708.

The British Commonwealth

Consultation and Co-operation in the British Commonwealth, Compiled by Gerald E. H. Palmer. Introduction by A. B. Keith. London: Oxford University Press. Shanghai office, 140 Peking Road.

This book gives an account of the machinery already in existence for achieving communication and co-operation between various parts of the British Commonwealth. It details the existing arrangements of Imperial Conferences, High Commissioners, Governor Generals, etc., and explains how the various members of the Empire achieve Diplomatic representation, and examines the question of Imperial Defence. Part IV develops proposals for the creation of new, or the modification of existing, machinery.

Professor Keith's Introduction deals with the Constitutional Development of the British Empire in regard to the Dominions and India from 1887 to 1933.

World Silk Position Shown in Chart

"The World Silk Position" is the title of a valuable chart issued by Economic Associates, 91 Wall St., N. Y. (U. S. \$1.) The chart discloses the dominant factors—production, stocks, absorption—in the silk (including rayon) trade from 1922 to 1934. The outstanding feature is the huge drop in the price of silk since 1929.

"Society"

A very creditable monthly magazine with the title of *Society* has been started at Hongkong by Alexander Claude Graves, with offices at 8 Queen's Road Central, Hongkong. The editor in "making his bow" has a few sarcastic words to say on "fly-by-night" publications, of which there are evidently some in Hongkong—and as there have been not a few in Shanghai. The contents of the new venture are appropriate to the field it has selected, all interspersed with excellent illustrations. The frontispiece is a portrait of Miss Beatrice Pestonjee, of Hongkong. It lives up to its title: "Society's Gallery of Beauty."

"Worth Their Weight In Gold!"

Mother In Canada Tells How

BABY'S OWN TABLETS

Helped Her Children.

Mr. Griffith, 21 Merchison Avenue, East Hamilton, Ontario, is another of the many mothers who are enthusiastic about the merits of Baby's Own Tablets. "My baby boy was six weeks old when I first used Baby's Own Tablets," she writes, "and since then I have never been without them, for they are worth their weight in gold."

"There is no trouble in getting the little ones to take them, and they often prevent an illness if taken in time. My first baby is now, at the age of four and a half years, a picture of health, and my nine months old baby is also well and happy. They are both real good examples of what Baby's Own Tablets can do, for I have never yet needed a doctor for either of them."

Baby's Own Tablets are a speedy but gentle corrective for infantile indigestion and constipation, relieve flatulence, colic, croup, convulsions, allay feverishness, break up colds, check diarrhoea, expel worms. All wise parents keep their children fit by occasionally administering this pleasant-tasting, gentle laxative and stomach-cleansing remedy. Obtainable from chemists everywhere.

CUSTOMS NOTIFICATION NO. 1389

The public is hereby notified that in accordance with Government instructions the export duty on silver dollars and mint bars will on and after the 15th October, 1934, be ten per cent. less two and a quarter per cent. for minting charges etc., the net levy thus being seven and three quarters per cent., while on other forms of silver the export duty will be ten per cent. In addition an equalisation charge will be imposed on exports of silver equal to the deficiency, if any, existing between the theoretical parity of London silver and a rate of exchange officially fixed by the Central Bank of China after making allowance for export duty.

The existing surtaxes will also be leviable on exports of silver of whatever kind.

H. O. Tong,

Superintendent of Customs.

A. C. E. Braud,

Commissioner of Customs.

CUSTOM HOUSE,

Shanghai, 15th October, 1934.

CUSTOMS NOTIFICATION

No. 1388

DRAWBACK CHEQUES DATED BEFORE
1ST JANUARY, 1932, TO BE INVALID-
DATED AFTER 31ST
JANUARY, 1935.

Acting under instructions from the Inspector General of Customs, I hereby notify the public that all unclaimed cheques dated between 1st January and 31st December, 1931, will be destroyed unless claimed before 1st February, 1935. Similarly, Drawback Cheques dated between 1st January and 31st December, 1931, which have been issued but not cashed, will be invalid after 31st January, 1935.

A. C. E. Braud,

Commissioner of Customs.

CUSTOM HOUSE,

Shanghai, 16th October, 1934.

CUSTOMS NOTIFICATION

No. 1390

The attention of the public is drawn to the provisions of § 21, Section VII, of the Postal Guide, which rule that letters may not contain any letter, note or documents addressed to a person other than the addressee or a person living with him.

Letters which contravene this regulation are liable to be detained and handed over to the Postal Authorities for disposal.

A. C. E. Braud,

Commissioner of Customs.

CUSTOM HOUSE,

Shanghai, 16th October, 1934.

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New Douglas Dolphin Plane Makes Exhibition Flight

Press representatives were taken up in one of the new Douglas Dolphin amphibian planes, on the first official exhibition flight over Shanghai, Oct. 11. Dai En-ki, managing director of the N.C.A.C., and H. M. Bixby also made the flight. E. M. Allison was at the controls assisted by Capt. C. Sellers. The plane is the first of two new ones of its type, which recently arrived in Shanghai. They are to be used on the Shanghai-Canton run. The cruising speed of the plane is given at 150 m.p.h., and in the test already carried out 141 m.p.h. was recorded, but then with only 75 per cent of the throttle being used, which is specified cruising speed.

Shanghai-Canton Air Service to Be Resumed Nov. 2

The Shanghai-Canton air mail line will be resumed on Friday, November 2, with one round trip per week being flown during the month of November. This schedule will be increased to two round trips per week during the month of December. During the entire month of November and until further notice the planes will carry only mail and express. No passenger tickets will be sold. As from December 1 the service will be extended to two round trips per week, south-bound planes departing Shanghai on Tuesday and Friday, and north-bound planes departing on Thursday and Sunday.

Eurasia Will Extend Line to Paotouchen

The Eurasia Aviation Company has decided to extend the air line from Hsinan in Ninghsia to Lanchow in Kansu as far as Paotouchen in Suiyuan. After the extension the route will extend for 820 miles, which will be covered in five hours, reports the *Shun Pao*. Construction of an air field at Paotouchen is now in progress and the air route will be extended as soon as the work is completed.

Japanese Woman Starts Long Hop to Manchukuo

A flight from Tokyo to Manchukuo is being made by Miss Cho Mabuchi, 24-year-old student of the Asia Flying School at Tsukiji, Tokyo, who also is an instructor in athletics in the Ferris Seminary at Yokohama. She is carrying messages from the Minister of Communications, the Manchukuo Minister to Japan, the Governors of Kanagawa and Aichi Prefectures and the Mayors of Yokohama and Shizuoka.

Plans for Trans-Pacific Air Service Being Made by Pan-American Airways Corporation

The Pan-American Airways Corporation is preparing its final plans for an experimental trans-Pacific air transport service between the United States and the Far East. The service will be linked on one side of the ocean with the Pan-American Airways routes through Central and South America, and on the other side, with the China National Aviation Corporation, which the company operates jointly with the Chinese Government.

Details of Press in China Published in German Review

The current issue of *Zeitungswissenschaft*, a German review, contains an article entitled "The Press in the Large Cities in China." Stating that these metropolitan newspapers exert great influence in the formation of public opinion in the realm of politics and economics, the article gives in minute detail information concerning the circulation, the age, the ownership and the subsidies of each paper mentioned.

Tong Shao-yi Flees from Chungshan

The anxiety over the safety of Tong Shao-yi, well known Chinese statesman and magistrate of the Chungshan Model district in Kuangtung, who disappeared following a revolt of gendarmes in the district, was dispelled Oct. 11 when Mr. Tong suddenly arrived in Canton aboard a gunboat. Immediately after his arrival he proceeded to a hospital and declined to make a statement regarding the Chungshan episode. The gendarmes of the Chungshan district mutinied on October 6 as a protest against the dismissal of their commander by Tong Shao-yi. They kidnapped their new commander and compelled Mr. Tong to leave.

Cannibals Now Prefer Pork

In a recently published book on Nigeria the author tells how, whilst cannibalism was common in that country up to recent years, it has practically ceased since the introduction of pigs. In brief, now-a-days the Nigerian natives prefer pork.

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83	11 1/2	1.20	Air Reduction	104 1/2	107
160 1/2	70 1/2	6.00	Alaska Juneau	18 1/2	18 1/2
26 1/2	6	—	Allied Chemical	131	130 1/2
42 1/2	9 1/4	0.80	Allis Chalmers	13	13 1/2
107 1/2	49 1/2	4.00	Am. Brake Shoe & Fdry.	23 1/2	24
89 1/2	13	—	American Can	101 1/2	103 1/2
22 1/2	3 1/4	0.25	Amer. Comm. Alcohol	27 1/2	28 1/2
19 1/2	3 1/2	—	Amer. Cyanamid "B"	16 1/2	16 1/2
27 1/2	3 1/2	—	American & Foreign Power	6 1/2	6 1/2
53 1/2	10 1/2	—	American Metal Company	15 1/2	16
134 1/2	86 1/2	9.00	American Smelting	36 1/2	38
94 1/2	50 1/2	5.00	American Tel. & Tel.	110 1/2	110 1/2
43 1/2	10 1/2	1.00	American Tobacco "B"	78 1/2	79 1/2
22 1/2	5	—	American Waterworks	16 1/2	16 1/2
18 1/2	5 1/2	—	Anaconda Copper	11 1/2	11 1/2
84 1/2	16 1/2	—	Atlas Corporation	8 1/2	8 1/2
37 1/2	8 1/2	—	Auburn	29	28 1/2
49 1/2	10 1/2	—	Baltimore & Ohio	15 1/2	16 1/2
87 1/2	18 1/2	1.60	Bethlehem Steel	28	28 1/2
28 1/2	6 1/2	1.00	Borden Company	25 1/2	26
20 1/2	7 1/2	—	Borg Warner	23 1/2	24
103 1/2	30 1/2	—	Canadian Pacific Railway	12 1/2	12 1/2
40 1/2	15 1/2	1.40	Case, J. I.	46 1/2	48 1/2
82 1/2	14 1/2	2.50	Chase National Bank	22 1/2	22 1/2
60 1/2	7 1/2	1.00	Chesapeake Corporation	35 1/2	38 1/2
28 1/2	7 1/2	—	Chrysler	35 1/2	36 1/2
6 1/2	1 1/2	—	Columbia Gas & Electric	8 1/2	8 1/2
64 1/2	25 1/2	2.00	Commonwealth & Southern (ord.)	1 1/2	1 1/2
23 1/2	4 1/2	0.11	Consolidated Gas of N. Y.	25 1/2	28 1/2
9 1/2	2	—	Continental Oil	16	16 1/2
5 1/2	1 1/2	—	Coty Inc.	6 1/2	6 1/2
93 1/2	35	—	Curtiss Wright Company	2 1/2	2 1/2
28 1/2	10 1/2	—	Delaware & Hudson	40 1/2	42
103 1/2	32 1/2	*2.60	Douglas Aircraft	15 1/2	15 1/2
103	45	4.00	Du Pont de Nemours	92 1/2	93
41 1/2	9 1/2	—	Eastman Kodak	103	104
15 1/2	3 1/2	—	Electric Bond & Share	10 1/2	10 1/2
19	8 1/2	—	Electric Power & Light	4	4
50 1/2	16 1/2	2.00	Fox Film "A"	13	13 1/2
10 1/2	2 1/2	—	Freepoint Texas	27	27 1/2
30 1/2	10 1/2	0.60	General Aviation	4	3 1/2
39 1/2	21	1.80	General Electric	18 1/2	18 1/2
42	10	*1.00	General Foods	30	30 1/2
49 1/2	13 1/2	1.00	General Motors	29 1/2	30 1/2
27 1/2	12	1.20	General Railway Signal	25	24
47 1/2	9 1/2	—	Gold Dust	17 1/2	17 1/2
81 1/2	15	3.00	Goodyear Tire & Rubber	22	21 1/2
57 1/2	35 1/2	3.00	Hercules Pwdr. Co.	72 1/2	71 1/2
40	4 1/2	—	Howe Sound	53 1/2	53 1/2
40 1/2	13 1/2	0.60	International Cement	21 1/2	26 1/2
29 1/2	6 1/2	0.60	International Harvester	31 1/2	33
21 1/2	5 1/2	—	International Nickel	24 1/2	24 1/2
66 1/2	12 1/2	—	International Tel. & Tel.	9 1/2	10
26	7 1/2	0.51	Johns Manville	46	47 1/2
79 1/2	37 1/2	2.40	Kennecott	18	18 1/2
99 1/2	49	*4.00	Lehman Corporation	65 1/2	65 1/2
36 1/2	8 1/2	1.00	Liggett & Myers "B"	99 1/2	99 1/2
25 1/2	10 1/2	1.20	Loew's Inc.	29 1/2	31 1/2
35 1/2	8 1/2	—	Lorillard	18 1/2	18 1/2
43	16 1/2	1.00	Montgomery Ward	28 1/2	29
33 1/2	16 1/2	—	National City Bank	20 1/2	20 1/2
68 1/2	14	—	National Distiller	20 1/2	22 1/2
36 1/2	12 1/2	4% S	New York Central	22	22 1/2
96 1/2	31 1/2	3.00	North American	13 1/2	13 1/2
31 1/2	13 1/2	1.50	Owens Illinois Glass	71 1/2	72 1/2
6 1/2	1 1/2	—	Pacific Gas & Electric	14 1/2	14 1/2
6 1/2	1 1/2	—	Packard Motors	3 1/2	3 1/2
42 1/2	13 1/2	1.00	Pennroad Corporation	1 1/2	1 1/2
20 1/2	4 1/2	1.00	Pennsylvania Railroad	23 1/2	23 1/2
12 1/2	3	—	Phillips Petroleum	13 1/2	13 1/2
84 1/2	26 1/2	3.00	Radio Corporation	5 1/2	6
31 1/2	12 1/2	—	Reynolds Tobacco "B"	49 1/2	49 1/2
19 1/2	6	0.60	Sears Roebuck	40 1/2	41 1/2
23	10 1/2	1.50	Socony-Vacuum Corporation	13 1/2	13 1/2
22 1/2	5 1/2	—	Southern California Edison	12	12
60 1/2	22 1/2	1.00	Standard Gas & Electric	7 1/2	8
66 1/2	45 1/2	3.80	Standard Oil Co. of N. J.	41	41 1/2
9 1/2	1 1/2	—	Sterling Products	62 1/2	62 1/2
30 1/2	10 1/2	1.00	Studebaker	8 1/2	8 1/2
9 1/2	2 1/2	0.12	Texas Corporation	20 1/2	21
51 1/2	19 1/2	1.40	Transamerica	5 1/2	5 1/2
133 1/2	61 1/2	6.00	Union Carbide & Carbon	44 1/2	44 1/2
10 1/2	3 1/2	—	Union Pacific	101 1/2	101 1/2
14 1/2	3 1/2	—	United Aircraft (New)	9 1/2	9 1/2
25	13 1/2	1.20	United Corporation	3 1/2	3 1/2
51 1/2	21 1/2	*2.00	United Gas Improvement	14	14
25	2 1/2	—	Universal Leaf Tobacco	49 1/2	49 1/2
67 1/2	23 1/2	—	U. S. Rubber	16 1/2	16 1/2
36 1/2	7 1/2	—	U. S. Steel	33 1/2	33 1/2
13 1/2	1	—	Vanadium	17 1/2	17 1/2
58 1/2	19 1/2	0.65	Warner Bros. Pictures	4 1/2	5 1/2
54 1/2	25 1/2	2.40 W	Westinghouse Elect.	32	32 1/2
			worth	49 1/2	50

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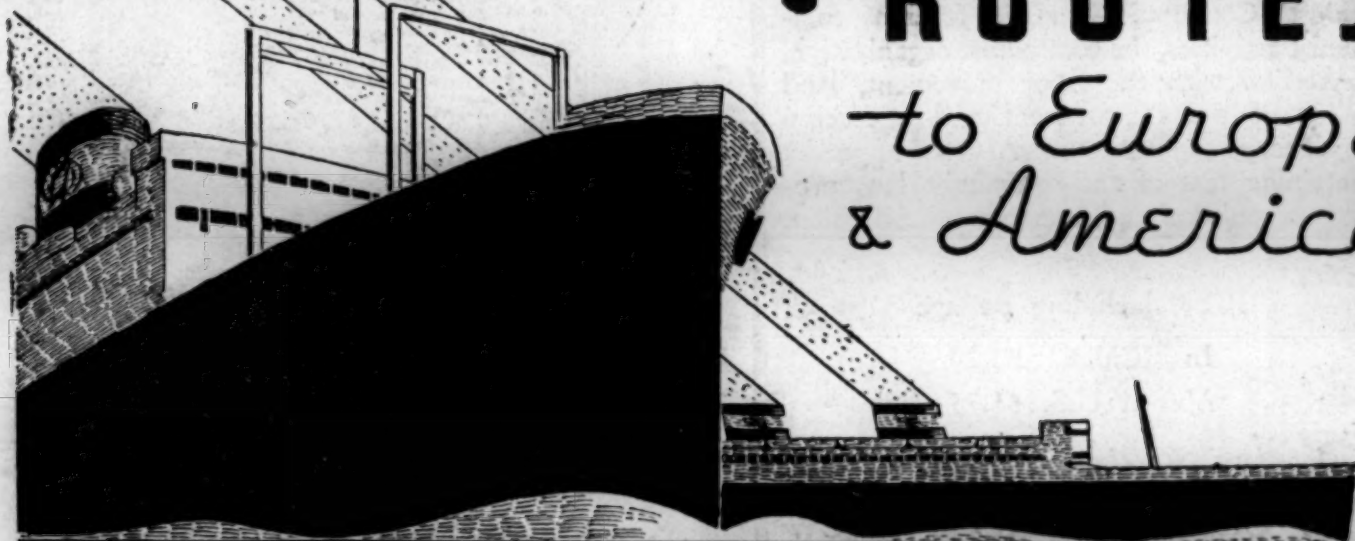
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